PROSPECTUS

Interoil Exploration and Production ASA

(a public limited liability company incorporated under the laws of Norway)

Listing of 56,193,478 Bond Conversion Shares

This prospectus (the **"Prospectus"**) relates to, and has been prepared by Interoil Exploration and Production ASA ("**Interoil**" or the "**Company**", and together with its subsidiaries, the "**Group**") in connection with the listing on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") of 56,193,478 new shares of the Company issued in connection with the conversion of bonds to equity (the "**Bond Conversion Shares**").

This Prospectus does not constitute an offer or an invitation to buy, subscribe or sell the securities being admitted to trading described in the Prospectus and the Prospectus relates solely to the listing of the Bond Conversion Shares.

Investing in the Company's shares (the "**Shares**"), including the Bond Conversion Shares, involves a high degree of risk. See section 2 "Risk Factors".

The date of this Prospectus is 26 August 2020

IMPORTANT INFORMATION

This Prospectus has been prepared solely in connection with the listing of the Bond Conversion Shares. This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC , as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. The Financial Supervisory Authority of Norway (*Norwegian: Finanstilsynet*) (the "**Norwegian FSA**") has reviewed and approved this Prospectus, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

For definitions of certain terms used throughout this Prospectus, see Section 16 "Definitions and Glossary of Terms".

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus which may affect the assessment of the Bond Conversion Shares and which arises or is noted between the time when this Prospectus is approved by the Norwegian FSA and the listing of the Bond Conversion Shares on Oslo Børs will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Company or in connection with the listing of the Bond Conversion Shares, other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or by any of its affiliates, representatives or advisers.

No action has been or will be taken in any jurisdiction other than Norway by the Company that would permit the possession or distribution of this Prospectus, any documents relating to the Prospectus, or any amendment or supplement to the Prospectus, in any country or jurisdiction where this is unlawful or specific action for such purpose is required. The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus may come are required by the Company to inform themselves about and to observe such restrictions. The Company shall not be responsible or liable for any violation of such restrictions by prospective investors. The restrictions and limitations listed and described in the Prospectus are not exhaustive and other restrictions and limitations in relation to this Prospectus that are not known or identified at the date of this Prospectus may apply in various jurisdictions. This Prospectus serves as a listing prospectus as required by applicable laws and regulations only.

This Prospectus does not constitute an offer to buy, subscribe or sell any of the securities described in the Prospectus and no securities are being offered or sold pursuant to it.

The securities described herein have not been and will not be registered under the US Securities Act of 1933 as amended (the "**U.S. Securities Act**"), or with any securities authority of any state of the United States. Accordingly, the securities described in the Prospectus may not be offered, pledged, sold, resold, granted, delivered, allotted, taken up, or otherwise transferred, as applicable, in the United States, except in transactions that are exempt from, or in transactions not subject to, registration under the U.S. Securities Act and in compliance with any applicable state securities laws.

This Prospectus is subject to Norwegian law unless otherwise indicated in the Prospectus. Any dispute arising in respect of this Prospectus is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue in the first instance.

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1. SUMMARY

INTRODUCTION AND WARNINGS

Warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
Securities	The Company has one class of shares in issue. The Bond Conversion Shares are ordinary shares of the Company, issued in accordance with the Norwegian Public Limited Liability Companies Act, each with a nominal value of NOK 0.50, and have been issued electronically in registered form in accordance with the Norwegian Public Limited Liability Companies Act. The 56,193,478 Bond Conversion Shares have been delivered on a separate ISIN NO 0010873623 (temporary ISIN) and will be listed and tradeable on the Oslo Stock Exchange under the Company's regular ISIN NO 0010284318 after the publication of this Prospectus.
Issuer	The issuer of the securities is Interoil Exploration and Production ASA with registration number 988 247 006 in the Norwegian Register of Business Enterprises and LEI code 5967007LIEEXZXIMC884. The Company's registered address is c/o Advokatfirmaet Schjødt AS, Ruseløkkveien 14, N-0251 Oslo, Norway, its e-mail is info@interoil.no and its telephone number is +47 6751 8650.
Competent authority	The Financial Supervisory Authority of Norway (Nw.: Finanstilsynet), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number +47 22 93 98 00 has reviewed and, on 26 August 2020, approved the Prospectus.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Corporate information	The issuer of the securities is Interoil Exploration & Production ASA, a public limited liability company incorporated in Norway on 2 May 2005 in accordance with the Norwegian Public Limited Companies Act and operating pursuant to the Norwegian Public Limited Companies Act. The Company is registered with the Norwegian Register of Business Enterprises under the organisation number 988 247 006 and its LEI code is 5967007LIEEXZXIMC884.
Principal activities	The Company is an independent oil & gas exploration and production company currently operating in Colombia and Argentina and headquartered in Oslo. The Company is engaged in the acquisition, exploration, development and operation of oil and natural gas properties. Interoil serves either as an operator or as an active license partner in a number of production and exploration assets in Colombia and Argentina. Interoil's portfolio consists of two producing licenses and two exploration licenses in Colombia and one exploration and seven production concessions in Argentina located in the Provinces of Chubut, Jujuy and Santa Cruz. The licenses in Colombia have been acquired through company acquisitions and bid- rounds for licenses. The licences in Argentina located in Chubut and Jujuy were acquired through a share purchase agreement with the previous owners and the concessions located in Santa Cruz were acquired through an asset purchase agreement. The Company has oil and gas production in Colombia and Argentina and part of the Group's strategy is to use this position to extract value from its production and exploration licenses to develop these assets and/or acquire new ones.

Major shareholders

Shareholders owning five per cent or more of the Company have a notifiable interest in the Company's share capital according to the Norwegian Securities Trading Act. As of 21 August 2020, the Company has a total of 2480 registered shareholders in the VPS, of which the top 10 registered shareholders are listed below:

#	Shareholders	Number of Shares	Percent
1	CLEARSTREAM BANKING S.A.*	20,719,081	13.19
2	GENIPABU INVESTMENTS LLC	19,654,960	12.51
3	Integra Oil and Gas S.A	10,351,741	6.59
4	SIX SIS AG*	9,852,702	6.27
5	Magnus Capital S.A	8,195,583	5.22
6	International Capital Markets Grou	7,394,102	4.71
7	MP PENSJON PK	4,758,323	3.03
8	Roch SA	4,045,539	2.57
9	Euroclear Bank S.A./N.V.*	3,647,212	2.32
10	Brie International Development Cor	2,957,641	1.88

* *shares held through a nominee account*

Key managing directors

The following persons are considered part of the Management of Interoil:

- Leandro Carbone, Chief Executive Officer
- Francisco G. Vozza, General Manager
- Juan Verde, Vice-President Energy Transition and Strategy

Statutory auditor

PricewaterhouseCoopers AS, with business registration number 987 009 713, and registered address at Dronning Eufemias gate 8, N-0191 Oslo, Norway.

What is the key financial information regarding the issuer?

The below tables set out key financial information for the Group for the periods indicated.

Consolidated Income Statement:

Amounts in USD 1000	For the 3 months period ended 31 March 2020	For the 3 months period ended 31 March 2019	For the 12 months period ended 31 Dec 2019	For the 12 months period ended 31 Dec 2018	For the 12 months period ended 31 Dec 2017
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Sales	3,457	3,826	17,072	21,318	16,602
Coat of goods sold	-1,925	-1,516	-7,511	-9,195	-5,618
Depreciation	-2,282	-1,922	-7,595	-9,438	-5,756
Gross Profit	**-750**	**388**	**1,966**	**2,685**	**5,228**
Exploration Cost expensed	-200	-23	-964	-903	-1,914
Admnitrative expense	-784	-902	-3,567	-5,702	-4,230
Impairment of oil and gas assets	-	-	-1,547	-	-
Other Income	129	46	502	681	-606
Result from operating activities	**-1,605**	**-491**	**-3,610**	**-3,239**	**-1,522**
Finance income	2,399	235	1,391	1,337	651
Finance costs	-950	-1,186	-5,206	-4,280	-4,008
Net Finance income (expense)	**1,449**	**-951**	**-3,815**	**-2,943**	**-3,357**
Profit (loss) before income tax	**-156**	**-1,442**	**-7,425**	**-6,182**	**-4,879**
Income tax expense	-733	-218	-216	-983	-825
Profit of the year	**-889**	**-1,660**	**-7,641**	**-7,165**	**-5,704**
(Loss)/profit from discontinued operations	-	-	-	-	-
Profit of the period	**-889**	**-1,660**	**-7,641**	**-7,165**	**-5,704**
Other comprehensive loss	-	-	-	-7	15
Total comprehensive income for the year	**-889**	**-1,660**	**-7,641**	**-7,172**	**-5,689**
Attributable to:					
Equity holders of the parent	-889	-1,660	-7,641	-7,172	-5,689
Earnings per share (expressed in USD per share)					
-basic and diluted - total	-0.01	-0.03	-0.09	-0.11	-0.02
-basic and diluted - continuing operations	**-0.01**	**-0.03**	**-0.09**	**-0.11**	**-0.02**

Consolidated Statements of Financial Position:

Amounts in USD 1000	As of 31 March 2020	As of 31 December 2019	As of 31 December 2018	As of 31 December 2017
ASSETS				
Non-current assets				
Propierty, plant and equipment	32,492	34,628	27,194	32,431
Other non-current assets	1,520	1,764	1,590	916
	34,012	**36,392**	**28,784**	**33,347**
Current assets				
Inventories	560	847	606	480
Trade and other receivables	915	1,231	2,021	3,263
Cash and cash equivalents, non-restricted	3,014	3,043	4,057	3,688
Cash and cash equivalents, restricted	2,282	1,767	3,655	3,836
Total current assets	**6,771**	**6,888**	**10,339**	**11,267**
TOTAL ASSETS	**40,783**	**43,280**	**39,123**	**44,614**
EQUITY				
Share capital and share premium	155,415	142,095	129,135	129,135
Other paid- in equity	4,744	4,744	4,744	4,744
Retained earnings	- 156,486	- 155,346	- 147,705	- 140,533
Total equity	**- 3,673**	**- 8,507**	**- 13,826**	**6,654**
LIABILITIES				
Non-current liabilities				
Borrowings	25,442	39,042	38,553	38,235
Deferred tax liability	1,310	870	1,614	2,500
Retirement benefit obligation	541	677	673	707
Provisions for othe liablities and charges	2,259	2,754	1,951	1,553
Total non-current liabilities	**29,552**	**43,343**	**42,791**	**42,995**
Current liabilities				
Borrowings/current interest-bearing liabilities	1,523	1,997	2,498	3,022
Trade and other payables	5,032	5,684	6,911	4,545
Income tax payables	282			
Provision for other liabilities and charges	721	763	749	706
Total current liabilities	**7,558**	**8,444**	**10,158**	**8,273**
TOTAL LIABILITIES	**37,110**	**51,787**	**52,949**	**51,268**
TOTAL EQUITY AND LIABILITIES	**40,783**	**43,280**	**39,123**	**44,614**

Cash flow statements:

Amounts in USD 1000	For the 3 months period ended 31 March 2020	For the 3 months period ended 31 March 2019	As of 31 December 2019	As of 31 December 2018	As of 31 December 2017
Cash Generated from Operations					
Total Comprehensive Income of the Period	**- 889**	**- 1,660**	**- 7,641**	**- 7,172**	**- 5,689**
Income tax expense		218		216	983
Depreciation, amortization and impairment	2,282	1,922	7,805	9,623	5,973
Share based payment and change in retirement	-	16	4	- 35	1
Interest income	- 2	- 4	- 21	- 25	- 87
interest expense	78	744	3,109	3,160	2,767
Unrealized exchange (gain)/loss from revaluation of borrowings	-	-	- 53	- 493	- 115
Gain on sale of PP&E	-	-	-	-	- 72
Other net financial expense	-	652	779	347	524
Impairment loss on PP&E			1,547		510
Changes in Assets & Liabilities					
Inventories	- 287	- 234	- 241	- 126	66
Trade and other receivables	- 316	- 1,127	790	1,241	- 1,868
Trade and other Payables and provision for other liabilities	252	3,033	- 535	1,078	754
Taxes paid	-	-	585	280	-
Net Cash generated in operating activities	**1,118**	**3,560**	**6,128**	**8,094**	**3,747**
Cash Flows From Investing Activities					
Purchase of PP&E	- 146	- 2,877	- 4,786	- 4,385	- 5,917
Retirements ans sales of PP&E	-	-	-	-	1,334
Net Cash Used in Investing Activities	**- 146**	**- 2,877**	**- 4,786**	**- 4,385**	**- 4,583**
Cash Flows from Financing activities					
Interest paid	- 75	- 1,117	- 2,044	- 2,496	- 1,608
Repayment of borrowings	- 138	- 1,474	- 1,021	- 1,066	- 8,107
Increase in non-current assets	- 244	-	174	-	-
Proceeds from new loans	-	1,540	675	714	6,607
Changes in restricted and long term cash	- 29	-	- 1,014	- 673	-
Net Cash used in financing activities	**- 486**	**- 1,051**	**- 3,230**	**- 3,521**	**- 3,108**
Net (decrease)/increase in cash and cash equivalents	**486**	**- 368**	**- 1,888**	**188**	**- 3,944**
Cash and cash equivalents at beginning of the period	4,810	7,712	7,712	7,524	11,468
Cash and cash equivalents at end of the year	5,296	7,344	5,824	7,712	7,524
Whereof cash and cash equivalents, non-restricted	2,282	2,691	3,043	4,057	3,688
Whereof cash and cash equivalents, restricted	3,014	4,653	1,767	3,655	3,836

What are the key risks that are specific to the issuer?

Material risk factors	• The Group is dependent on the availability of drilling and related equipment for its oil and natural gas exploration and development activities. Current high demand for such equiment or access restrictions is affecting the availability and cost of such equipment to the Group, and may delay exploration and development activities. • Oil and natural gas prices are unstable and subject to fluctuation, and any material decline in such prices could, inter alia, change the economics of producing from some of the Group's wells and assets and could negatively affect the Group's net production revenue and overall value. • The Company's reserve reports are subject to uncertainties, and the Group's actual oil and gas production may vary significantly from reported reserves, which may in turn negatively affect the valuation of the Company. • There is a risk that the Group may not be able to discover new reserves in the future. Should additional reserves not be discovered, the Group's current operations will not be sustainable. • The Group's production is concentrated in a small number of fields, making the Company vulnerable to mechanical problems and other events. • There are risks related to authorisations, permits, concession and licences from Colombian and Argentinian authorities, upon which the Group depends, including the risk that licences may be terminated.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Type, class and ISIN	The Bond Conversion Shares are ordinary shares of the Company, issued in accordance with the Norwegian Public Limited Liability Companies Act, each with a nominal value of NOK 0.50, and have been issued electronically in registered form in accordance with the Norwegian Public Limited Liability Companies Act. The 56,193,478 Bond Conversion Shares have been delivered on a separate ISIN NO 0010873623 (Temporary ISIN) and will be listed and tradeable on the Oslo Stock Exchange under the Company's regular ISIN NO 0010284318 after the publication of this Prospectus.
Currency, par value and number of securities	The Company's current share capital is NOK 78,556,755.50, divided into 157,113,511 shares, each with a par value of NOK 0.50. The Shares are, and the Bond Conversion Shares will be, traded in NOK on the Oslo Stock Exchange.
Rights attached to the securities	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all shares in that class provide equal rights in the Company, including the rights to dividends. Each of the Shares carries one vote.
Transfer restrictions	The Shares are freely transferable.
Dividend and dividend policy	The Company has been and still is in a phase involving considerable investments. The Company has a high focus on value creation and will have a dividend policy that will preserve the interests of the Company and its shareholders. Interoil will strive to follow a dividend policy favourable to shareholders. This will be achieved by sound development and continuous growth. The Company aims to give shareholders a competitive return on capital relative to the underlying risk. Interoil's existing dividend policy is to retain earnings in order to maintain a sound equity ratio, liquidity reserve and secure funding of product development projects. Due to this Interoil does not anticipate paying cash dividends on a regular basis in the foreseeable future. The payment of future dividends will, among other things, depend on the Group's earnings, financial condition, investment requirements and rate of growth. Interoil did not pay any dividends in the last three financial years.

Where will the securities be traded?

The Company's Shares, excluding the Bond Conversion Shares, are already listed and tradeable on the Oslo Stock Exchange. The 56,193,478 Bond Conversion Shares will be listed and tradeable on the Oslo Stock Exchange after the publication of this Prospectus.

What are the key risks that are specific to the securities?

Material risk factors	• Shareholders resident in certain jurisdictions may not be able to exercise pre-emptive rights and may therefore not be able to participate in future offerings of Shares in Interoil, which in turn would lead to their shareholdings being diluted. • Beneficial owners of Shares that are registered in a nominee account (e.g. through brokers, dealers or other third parties) may not be able to vote for such Shares.

KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

	This Prospectus is a listing prospectus for securities already issued by the Company, and consequently does not entail an offer to buy or subscribe for any securities. The Bond Conversion Shares will be listed and tradeable on the Oslo Stock Exchange under the Company's regular ISIN NO 0010284318 after the publication of this Prospectus.
Total expenses	Expenses related to the issuance of Bond Conversion Shares will not be charged to the investor by the Company.
Dilution	The percentage of immediate dilution for Interoil's Shareholders who did not receive Bond Conversion Shares was approximately 36.7%.

Why is this prospectus being produced?

Reasons for the admission to trading	The Prospectus has been prepared in order to list the Bond Conversion Shares on the Oslo Stock Exchange.
Net proceeds	The Bond Conversion Shares were issued in connection with the conversion of bonds under the Company's Senior Secured Bond Loan (ISIN NO 0010729908) to equity of the Company, and the issuance did therefore not result in any proceeds for the Company.
Conflicts of interest	There are no material conflicts of interest pertaining to the listing of the Bond Conversion Shares on the Oslo Stock Exchange.

2. RISK FACTORS

An investment in the Shares, including the Bond Conversion Shares, involves risks. Before making an investment decision with respect to the Shares, investors should carefully consider the risk factors set forth below and all information contained in this Prospectus, including the Financial Statements and related notes. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Group's business, results of operations, financial condition, cash flows and/or prospects, which could cause a decline in the value and trading price of the Shares, resulting in the loss of all or part of an investment in the Shares.

The risk factors included in this Section 2, are as of the date of this Prospectus, and are presented in a limited number of categories, where each individual risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect on the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The risks mentioned herein could materialise individually or cumulatively.

2.1 Market risks

2.1.1 Availability of drilling equipment and access restrictions

Interoil's oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Current high demand for such limited equipment or access restrictions is affecting the availability and cost of such equipment to the Group, and from time to time, delays exploration and development activities, which in turn could negatively affect the Group's business, results of operation and financial condition. Further, to the extent Interoil is not the operator of its oil and gas properties, the Group will be dependent on such operators for the timing of activities related to such properties and will have limited control over the management of the properties. Mismanagement by, or disagreements with, such operators in respect of properties in which Interoil has an interest may result in delays, losses or increased costs for the Group.

2.1.2 Commodity price volatility

Both oil and natural gas prices are unstable and subject to fluctuation. For example, in 2020, oil prices dropped significantly due to the Covid-19 pandemic. Interoil's results of operations are significantly affected by prevailing oil and gas price levels, and any material decline in prices could result in a reduction of the Group’s net production revenue and overall value, potentially leading to write-downs. Further, the economics of producing from some of the Group's wells and assets may change as a result of lower prices which may result in a reduction in the volumes of the Group’s reserves. Lower prices may also cause production in certain wells to become financially unviable, which in turn may lead to Interoil electing not to produce from such wells. Any of the aforementioned could result in a material decrease in the Group’s net production revenue and overall value.

2.1.3 Political and regulatory risk

Interoil is a Norwegian oil and gas exploration and production company operating in Colombia and Argentina, and the Company has consolidated subsidiaries registered in Norway, Colombia, Argentina, Panama and the British Virgin Islands. Thus, the Group's operations are subject to laws and regulations in several countries, including laws and regulations relating to the equipment and operation of drilling units, currency conversions and repatriation, oil and natural gas exploration and development, taxation of earnings and earnings of expatriate personnel, the use of local employees and suppliers by foreign contractors and duties on the importation and exportation of units and other equipment. Due to the Group operating in several jurisdictions, the risk of non-compliance with any applicable legislation is increased. There can be no assurance that the Group's understanding of applicable laws and regulations in the jurisdictions in which it operates is correct. If applicable laws or regulations change or relevant authorities do not agree with the Group's interpretation of prevailing laws and regulations, this could have a material adverse effect on the Group's business, results of operation and financial condition.

2.1.4 The impact on the environment from operations

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, and releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites are operated, maintained, abandoned, and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, requirements for reduced emissions from operations, larger fines and liability, and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Group to incur costs to remedy such discharge. Consequently, there is a risk that environmental laws may result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Group’s financial condition, results of operations or prospects.

2.2 Operational risks

2.2.1 The Group's oil and natural gas production may vary significantly from reported reserves

The Company reports reserves in accordance with the guidelines of the SPE/WPG/AAPG/SPEE Petroleum Resources Management System. Generally, estimates of the quantity and value of economically recoverable oil and gas reserves are, to some degree, speculative and the possible future net cash flows are based upon a number of variable factors and assumptions such as historic production rates, ultimate reserves recovery, interpretation of geological and geophysical data, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, continuity of current fiscal policies and regulatory regimes, future oil and gas prices, operating costs, development and production costs and work-over and remedial costs, all of which may vary from actual results. Consequently, there can be no guarantee that the Company's reported reserves will be available for extraction, and actual production, revenues, cash flows, royalties, development and operating expenditures may vary from the Company's estimates. Such deviations may be material and may have a material adverse effect on the Company’s valuation, its ability to raise further funds and its financial position in general.

2.2.2 The Group may not be able to discover new reserves

The Group’s future oil and gas reserves, production and cash flows are highly dependent on the Group successfully identifying new discoveries. Without the addition of new reserves, any existing reserves the Group may have at any particular time and the production thereof will decline over time through production and distribution into the market. A future increase in the Group’s reserves will depend not only on the Group’s ability to develop any concession it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Group’s future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and gas. Should the Group not discover additional reserves, current operations will not be sustainable.

2.2.3 The Group's production is concentrated in a small number of fields

Current Interoil production comes from a very limited number of fields. If mechanical problems or other events curtail a substantial portion of the Group's production or if actual reserves associated with any one of the Group's producing fields are lower than estimated, the Group's results of operations and financial condition could be adversely affected.

2.2.4 Licenses, permits, concessions and authorisations

Interoil’s operations depend, and will continue to depend, on authorisations, permits, concessions, and licenses from Colombian and Argentinian authorities, government-owned entites and regulatory agencies. Interoil’s exploration and production operations are also subject to *inter alia* Colombian and Argentinian laws and regulations, which may change from time to time. If these laws and regulations change in the future, modifications to Interoil’s technologies and operations could be required, and Interoil could be required to make unbudgeted capital expenditures, which could lead to an increase in Interoil's cost base, reduce profitability and/or adversely impact cash flows.

Further, the Group is subject to several work program commitments under its licenses and contracts, such as work overs, seismic acquisition, drilling of wells and providing related bank guarantees. Should the Group not be able to meet the minimum requirements or provide sufficient cash to support the work programs, the licenses of the Group may be terminated by and, in the case of Colombia, the Group may be banned to contract with the ANH for 5 years. Loss of profitable licenses could have a material adverse effect on the Group's business, financial condition, operating results and/or cash flows.

2.2.5 Legal proceedings, disputes and investigations

The Group is presently involved in tax litigation, and a labour law dispute and may, from time to time, be involved in other disputes and proceedings. The tax litigation and labour law disputes may have negative outcomes for the Group, potentially resulting in a material adverse effect on the Group's business, financial condition, operating results and/or cash flows

2.3 Risk factors relating to the Shares

2.3.1 Shareholders not participating in future offerings may be diluted

Unless otherwise resolved or authorised by the general meeting, shareholders in Norwegian public companies such as Interoil have pre-emptive rights proportionate to the aggregate amount of the Shares they hold with respect to Shares issued by the Company. For reasons relating to US securities laws (and the laws in certain other jurisdictions) or other factors, US investors (and investors in such other jurisdictions) may not be able to participate in a new issuance of Shares or other securities and may face dilution as a result.

2.3.2 Norwegian law may limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by Interoil in respect of wrongful acts committed against Interoil will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

2.4 Financial risks

2.4.1 Indebtedness

The Group has a significant amount of debt, and is subject to restrictive debt covenants. Notably, the terms of the Company's Senior Secured Bond Loan (as defined below) restricts, subject to certain carve-outs and exceptions, the Company's ability to make certain payments, merge, demerge and dispose of assets, grant security over its assets and to incur additional financial indebtedness. A breach of the terms of the Group's current or future financing agreements may cause the lenders to require repayment of the financing immediately and to enforce security granted over the Group's assets, including its subsidiaries, which in turn could have a material adverse effect on the Group and its ability to carry on business operations.

Further, if the Group is unable to comply with the terms of the financing agreements and accordingly is required to obtain additional amendments or waivers from its lenders relating to an existing or prospective breach of one or more covenants in its financing agreements, the lenders may require the Group to pay significantly higher interest going forward.

2.4.2 Defaults and insolvency of subsidiaries

The main operations of the Company are conducted through its subsidiaries in South America and a bank facility is secured on the Colombian assets. In the event of insolvency, liquidation or a similar event relating to one of the Company's subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Company, as a shareholder, would be entitled to any payments. Defaults by, or the insolvency of, certain subsidiaries of the Company could result in the obligation of the Company to make payments under parent financial or performance guarantees in respect of such subsidiaries or the occurrence of cross defaults on certain borrowings of the Company or other group companies. Additionally, the Company or its assets may become directly subject to a bankruptcy or similar proceeding initiated against a subsidiary. There can be no assurance that the Company and its assets would be protected from any actions by the creditors of any subsidiary of the Company, whether under bankruptcy law, by contract or otherwise.

All material subsidiaries of the Company serve as collateral under the Company's current bond loan, and should the Company default on its obligations under this bond loan, the lenders may choose to accede their collateral in these companies.

2.4.3 Currency risk

The Group operating activities are currently based in Colombia and in Argentina, and is, to some extent, exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the following currencies: NOK, USD, ARS and COP. Revenues are invoiced to the customers in USD (although collection in Argentina is made in ARS) while operating expenses are mostly denominated in USD, NOK, ARS and COP. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and the investment of excess liquidity. Currently, the Group uses no derivative financial instrument to hedge the above mentioned risk exposure.

3. STATEMENT OF RESPONSIBILITY

This Prospectus has been prepared in connection with the listing of the Bond Conversion Shares.

The Board of Directors of Interoil accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that the information contained in this Prospectus is, to the best of our knowledge, in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

26 August 2020

The Board of Directors of Interoil Exploration & Production ASA

Hugo Quevedo *Chairman*	Mimi Berdal *Board member*	Nicolas Acuña *Board member*
German Ranftl *Board member*	Laura Mármol *Board member*	Carmela Saccomanno *Board member*

4. GENERAL INFORMATION

4.1 Forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance, including, but not limited to, statements relating to the risks arising from the current economic downturn, other risks specific to our business and the implementation of strategic initiatives, as well as other statements relating to our future business development and economic performance. The forward-looking statements are contained principally in Section 1 "Summary", Section 6 "Presentation of Interoil" and Section 7, "Principal Markets". Such forward-looking statements and information are based on the beliefs of the Company's Management or assumptions based on information available to the Company. When used in this document, forward-looking statements can be identified by the use of forward- looking terminology, including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" and similar expressions or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear in a number of places throughout this Prospectus and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, liquidity, outlook and prospects, growth, strategies, impact of regulatory initiatives, capital resources and capital expenditure, return on capital, cost savings and dividend targets, and the industry trends and developments in the markets in which the Group operates.

Prospective investors in the Company are cautioned that forward-looking statements are not guarantees of future performance and that our actual financial position, operating results and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. We cannot guarantee that the intentions, beliefs or current expectations upon which its forward- looking statements are based will occur.

By their nature, forward-looking statements involve and are subject to known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements as a result of:

- the impact of the global economic downturn;
- changes in general economic and industry conditions;
- the competitive pressure and changes to the competitive environment in general;
- the growth of our operations through continued investments or otherwise;
- our ability to maintain our current market positions;
- our ability to comply with the financial covenants in our financing agreements;
- political, governmental and regulatory changes or changes in political or social conditions;
- dependence on and changes in Management and key-employees;
- deterioration in our relationship with employees and work interruptions through employee actions or otherwise;
- changes in legal and regulatory environment;
- changes and fluctuations in interest rates and exchange rates;
- changes in industry;
- access to financing; and
- legal proceedings.

Should one or more of these risks and uncertainties materialise, or should any underlying assumptions prove to be incorrect, our actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected.

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect our financial position, operating results, liquidity and performance. Prospective investors in the Company are urged to read all sections of this Prospectus for a more complete discussion of the factors that could affect our future performance and the industry in which we operate.

Except as required by law, the Company undertake no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

The basis for any statement with regards to the Company's competitive position herein, is based on the Company's own assessment.

4.2 Third-party information

This Prospectus contains industry and market data obtained from independent industry publications, market research, internal surveys and other publicly available information. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. We have not independently verified such data. Similarly, whilst we believe that our internal surveys are reliable, they have not been verified by independent sources and the Company cannot assure their accuracy. Thus, the Company does not guarantee or assume any responsibility for the accuracy of the data, estimates, forecasts or other information taken from sources in the public domain. The information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

4.3 Non-IFRS and non-NGAAP financial measures

In this Prospectus, the Group presents the following non-IFRS and non-NGAAP financial measures and ratios:

- "**EBITDAX**" represents EBITDA corrected by exploration costs and extraordinary items
- "**EBITDA**" represents earnings before interest, tax, depreciation and amortisation
- "**Equity ratio**" represents total shareholders' equity divided by total assets

The non-IFRS and non-NGAAP financial measures presented herein are not recognised measurements of financial performance or liquidity under IFRS and NGAAP, but are used by Management to monitor and analyse the underlying performance of the Group's business and operations. In particular, non-IFRS and non-NGAAP financial measures should not be viewed as substitutes for profit/(loss) for the period, profit/(loss) before tax from continuing operations, operating income, cash and cash equivalents at period end or other income statement or cash flow items computed in accordance with IFRS and NGAAP. The non-IFRS and non-NGAAP financial measures do not necessarily indicate whether cash flow will be sufficient or available to meet the Group's cash requirements and may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. These non-IFRS and non-NGAAP measures have not been audited or reviewed by any third party.

Management has presented these non-IFRS and non-NGAAP measures in this Prospectus because it considers them to be important supplemental measures of the Group's performance and believes that they are widely used by investors in comparing performance between companies. Because companies calculate the non-IFRS and non-NGAAP financial measures presented herein differently, the non-IFRS and non-NGAAP financial measures presented herein may not be comparable to similarly defined terms or measures used by other companies. The non-IFRS and non-NGAAP financial measures presented herein are also classified as alternative performance measures under the guidelines of the European Securities and Markets Authority.

4.4 Approval by the Norwegian FSA

This Prospectus has been approved by the Norwegian FSA, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. This Prospectus has been drawn up as a simplified prospectus in accordance with article 14 of the EU Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the securities.

4.5 Cautionary note regarding taxation

Potential investors should be aware that the tax legislation of the investor's Member State and of the Company's country of incorporation may have an impact on the income received from the securities.

For a brief description of certain tax aspects under Norwegian law related to holding and disposal of shares in the Company, please see section 12 "Norwegian taxation of shareholders" below.

5. THE BOND CONVERSION SHARES

5.1.1 Background and transaction details

On 16 January 2020, the extraordinary general meeting of the Company resolved to increase the Company's share capital through the issuance of Bond Conversion Shares, to be settled by way of set off of USD 13,102,396 of the principal amount plus accrued interest up to and including 15 January 2020 of the total of the then currently outstanding principal amount of USD 37,435,416 of the Company's bond loan with ISIN NO 0010729908 (the "**Senior Secured Bond Loan**").

Following the resolution by the Company's extraordinary general meeting, the Board of Directors determined that 56,193,478 Bond Conversion Shares were to be issued in connection with conversion of debt to equity under the Senior Secured Bond Loan.

5.1.2 Resolution regarding the issue of Bond Conversion Shares

The following resolution was made by the extraordinary general meeting in the Company on 16 January 2020, in connection with the issuance of Bond Conversion Shares:

1. *The share capital is increased by a minimum of NOK 17,753,420 and a maximum of NOK 35,450,929 by issuance of a minimum of 35,506,839 and a maximum of 70,901,858 shares, each with a par value of NOK 0.50. The board of directors determines the final number of shares to be issued.*
2. *Only Nordic Trustee AS, reg. no. 963 342 624, with address Kronprinsesse Märthas plass 1, 0160 Oslo, Norway, on behalf of and for subsequent allocation to the bondholders, has the right to subscribe for shares.*
3. *A minimum of NOK 1.70 and a maximum of NOK 3.39 shall be paid per share. The board of directors determines the final subscription price based on a 20% discount on the volume-weighted average trading price for the shares in the Company in a period of 60 calendar days prior to the bondholders' meeting on 30 December 2019.*
4. *The shares are subscribed for on a separate subscription form no later than 22 January 2020.*
5. *The share contribution shall be settled immediately by way of set off of USD 13,102,396 of the principal amount plus accrued interest up to and including 15 January 2020 of the total of the currently outstanding principal amount of USD 37,435,416 of the Company's bond loan with ISIN NO 001 0729908, where Nordic Trustee AS is trustee for the bondholders. The aggregate amount being set off is consequently USD 13,482,365.47. The set-off is done by Nordic Trustee AS giving notice of the set-off. The set-off shall be based on the exchange ratio between USD and NOK as quoted by the Central Bank of Norway on 15 January 2020.*
6. *The new shares give shareholder rights in the Company (including the right to receive dividends) from such time as when the share capital increase is registered with the Norwegian Register of Business Enterprises.*
7. *The new shares shall be registered in VPS on a separate ISIN until the Company publishes a listing prospectus in accordance with chapter 7 of the Norwegian Securities Trading Act.*
8. *The estimated expenses related to the share capital increase are NOK 900,000.*
9. *Section 4 of the Company's Articles of Association are amended to reflect the new share capital and the new number of shares after the share capital increase.*

The following resolution was made by the Company's Board of Directors on 16 January 2020 in connection with the issuance of Bond Conversion Shares:

> *The number of shares to be issued in connection with the general meetings resolution on 16 January 2020 is 56,193,478 shares, corresponding to a share capital increase of NOK 28,096,739. The subscription price is set to NOK 2.128.*

5.1.3 Issuance, delivery and listing of the Bond Conversion Shares

The Company's Shares, excluding the Bond Conversion Shares, are already listed and tradeable on the Oslo Stock Exchange. The Bond Conversion Shares have been delivered on a separate ISIN NO 0010873623 (temporary ISIN), and will be listed and tradeable on the Oslo Stock Exchange under the Company's regular ISIN (ISIN NO 0010284318) after publication of this prospectus. The Company's shares are, and the Bond Conversion Shares will be, traded in NOK on the Oslo Stock Exchange.

5.1.4 Dilution

The immediate dilutive effect for the Company's shareholders who do not receive Bond Conversion Shares was approximately 36.7%.

5.1.5 The rights attached to the Bond Conversion Shares

The Bond Conversion Shares are ordinary shares of the Company, each with a nominal value of NOK 0.50, and have been issued electronically in registered form accordance with the Norwegian Public Limited Liability Companies Act.

The Bond Conversion Shares rank pari passu in all respects with the existing Shares and thus carry full and equal shareholder rights in the Company from the time of registration of the share capital increase with the Norwegian Register of Business Enterprises, including rights to dividends. All Shares, including the Bond Conversion Shares, have the voting rights and other standard rights and obligations pursuant to the Norwegian Public Limited Liability Companies Act and are governed by Norwegian law. Refer to Section 11 "Shareholder matters and Norwegian Company and Securities law" for a description on the rights pertaining to the Shares.

5.1.6 Transferability of the Bond Conversion Shares

Subject to any applicable securities laws, the Bond Conversion Shares are freely transferable.

5.1.7 The Company's share capital following the issuance of Bond Conversion Shares

Following the registration of the share capital increase in connection with the issuance of Bond Conversion Shares with the Norwegian Register of Business Enterprises, Interoil's share capital increased to NOK 76,533,986 divided into 153,067,972 shares, each with a par value of NOK 0.50. The Company's current share capital is NOK 78,556,755.50, divided into 157,113,511 shares, each with a par value of NOK 0.50

5.1.8 Reason for the issuance

The conversion of debt to equity through the issuance of Bond Conversion Shares was made in order to strengthen the Company's financial situation.

The Bond Conversion Shares were issued in connection with the conversion of bonds under the Company's Senior Secured Bond Loan (ISIN NO 0010729908) to equity of the Company, and the issuance did therefore not result in any proceeds for the Company.

There are no material conflicts of interest pertaining to the listing of the Bond Conversion Shares on the Oslo Stock Exchange.

6. PRESENTATION OF INTEROIL

6.1 General

Interoil is an independent oil & gas exploration and production company, currently operating in Colombia and Argentina and headquartered in Oslo. Interoil is involved in the acquisition, exploration, development and operation of oil and natural gas properties. Interoil serves either as an operator or as an active license partner in a number of production and exploration assets in Colombia and Argentina.

Interoil's portfolio consists of two producing licenses and two exploration licenses in Colombia and one exploration and seven production concessions in Argentina. The licenses in Colombia have been acquired through company acquisitions and bid-rounds for licenses. The licences in Argentina in the provinces of Chubut and Jujuy were acquired through a share purchase agreement with the previous owner while the Santa Cruz Assets were acquired through an asset purchase agreement.

Interoil has oil and gas production in Colombia and Argentina and, part of the Group's strategy is to extract value from its production and exploration licenses in Colombia and Argentina, and use the proceeds to develop these assets and/or acquire new ones.

Interoil has a legal address at Schjodt's offices in Oslo, Norway, and leases offices in Bogota, Colombia. The Bogotá office has an area of 330 square meters for a monthly lease fee of approximately USD 13,700.

The Company's shares are listed and tradeable on the Oslo Stock Exchange under the ticker-code "IOX". The Company does not have securities listed on any other stock exchange or regulated market.

6.2 History and Company information

The Company is a public limited liability company organized and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act. The Company was incorporated on 2 May 2005 as a Norwegian private limited liability company (*Norwegian: "aksjeselskap"*) and converted to a Norwegian public limited liability company (*Norwegian: "allmennaksjeselskap"*) on 14 November 2005. The Company's registration number in the Norwegian Register of Business Enterprises is 988 247 006 and its LEI code is 5967007LIEEXZXIMC884. The Company's registered address is c/o Advokatfirmaet Schjødt AS, Ruseløkkveien 14, N-0251 Oslo, Norway, its e-mail is info@interoil.no and its telephone number is +47 6751 8650. The Company's website is www.interoil.no.*

**The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.*

An overview of selected events in the Company's history is set out below:

Date	Main Events
Q1 2010	• Successful farm-out of 10% of the Altair license in Colombia to the drilling contractor Erazo Valencia SA. • Interoil impaired all assets in Angola in financial statement 2009 due to a default notice from the operator.
Q2 2010	• First commitment exploration well, Altair-1, discovers oil. • Second well on the Altair license was proven dry. • Altair-1 WAS set on Long Term Testing ("LTT").
Q3 2010	• Interoil completed a large refinancing where the Company raises USD 50 million in new equity and NOK 310 million in a secured bond. The Company also raised USD 90 million of bank debt in Colombia and Peru to fully refinance the debt.
Q4 2010	• Interoil discovered oil in the San Luis field in Block 3 in Peru which added new production.
Q1 2011	• Interoil entered into a service agreement with Ecopetrol S.A. ("**Ecopetrol**") to operate the Totare Field located in the Armero license following license expiry on 31 December 2011.
Q2 2011	• Interoil is awarded 100 per cent operated WIs in exploration licenses COR-6 and LLA-47 in the 2010 Colombia Open Bid Round.
Q1 2012	• Interoil wins court case regarding a tax payment of NOK 45 million which was reimbursed to Interoil. • Interoil entered into a service agreement with Ecopetrol to continue operating the Toqui Toqui and the Puli B licenses following license expiry on 28 February 2012.
Q4 2012	• The board of directors called for an EGM to propose a new board with independent directors which was approved. Following the EGM a new management and governance structure was implemented with Mr. Thomas J. Fjell as CEO and Mr. Erik Sandøy as CFO. The new management team and board initiate a strategic re-focus of Interoil which included a significant cost cutting program.
Q1 2013	• Interoil announced a sale of the Altair and COR-6 exploration blocks to Trayectoria Oil & Gas Sucursal Colombia for a consideration of USD 2 million, subject to bondholders and regulatory approvals. • Interoil completed a USD 35 million private placement in March 2013 and extended the maturity of the secured bond loan until 2016.
Q2 2013	• A new drilling program at Puli C in Colombia was initiated, and is progressing as planned. The program targeted low risk in-fill wells to maximize the likelihood of drilling commercial wells. • Cost cutting program proceeded as planned.
Q3 2013	• The closing of the transaction with Trayectoria Oil & Gas Sucursal Colombia (announced in February 2013) was initially expected to be completed during Q3, but Trayectoria requested an extension. • Considerable speculation in the Peruvian press regarding license extensions for various licenses, including those belonging to Interoil.
Q4 2013	• The initial 12 well drilling program at Puli C in Colombia was completed in early November, on time and within budget. On average, the wells had initial production in-line with expectations, but with higher than expected decline rates.

Q1 2014	• Evaluation of the first phase of the drilling program at Puli C showed that the existing 35 wells have significant potential for increased production and reduced declination. The next phase of the development program will therefore mainly focus on substantially increasing the recovery factor from existing wells through workovers and operational improvements. • In Peru, the key focus has been on maintaining production on very limited investments until the license situation is resolved.
Q2 2014	• Interoil did not succeed in the arbitration case in respect of the license rights to operate Block III and Block IV in Peru. However, the Company was awarded a 12 month license for the blocks from 5 April 2014 until 5 April 2015. • Interoil Colombia initiated legal action against Trayectoria Oil & Gas, for its failure to comply with the sales contract for COR-6 and Altair. • Despite the ongoing development program, the overall production from Puli C decreased in Q2 2014 due to system pressure restrictions, contract issues with Ecopetrol and the malfunctioning of operational equipment. • 3D seismic was acquired for the LLA-47 exploration license, confirming the value potential and Interoil's risked reserve potential of more than 30 mmboe (Interoil estimate).
Q4 2014	• The National Agency of Hydrocarbons in Colombia (Agencia Nacional de Hidrocarburos or ANH) informed Interoil that it is considering termination of the two licenses LLA-47 and COR-6 and impose penalties, unless necessary bank guarantees are provided for its existing exploration commitments on the two blocks. • As a consequence of negative developments in Peru and Colombia, together with its high leverage, Interoil experienced increasing difficulties in obtaining necessary funding and financial guarantees to support operations, and the board of directors decided to accelerate preparations for the planned refinancing of the Company. Arctic Securities AS was mandated to provide support in this process as well as to explore other strategic options. • In November 2014, Interoil transferred ownership of its Peruvian operations to United Oilfield Colombia Inc. The transaction enabled Interoil to discontinue its business in Peru in an orderly fashion without any material impact on its liquidity or financial position. • In December 2014, a refinancing proposal of Interoil was put forth.

Q1 2015	• Both the extraordinary shareholder meeting and the bondholder meeting held on 20 January 2015 approved the refinancing proposal (including debt deferrals, debt to equity swaps and a private placement) announced in December 2014. In the debt restructuring, the old NOK 310 million bond and the USD 6.2 million debt due to Proseis AG was replaced with a new USD 32 million bond loan, which resulted in Interoil reducing its debt by approximately NOK 120 million (equivalent to USD 16.2 million assuming a USD/NOK conversion rate of 7.40). Holders of the old NOK 310 million bonds accepted 65,000,000 new shares in Interoil as part of the settlement of the bond, equivalent to approximately 10 per cent of the shares outstanding after the debt restructuring. • Following the refinancing approval, a new board of Interoil was elected and subsequenlty a new management team was appointed with Mr. Alejandro Jotayan as CEO, Mr. Nigel Duxbury as General Manager and Mr. Pablo Arias as CFO. • Interoil satisfied the required ANH guarantee of USD 7.2 million for the LLA-47 license without posting cash collateral and therefore became fully compliant with the terms of the license. An additional guarantee of USD 10.5 million for LLA-47 was required by the end of April 2015, and the Company expected the guarantee to be in place within the required time frame. In relation to the COR-6 license terms, Interoil continued discussions with ANH regarding the environmental and community issues relating to the block and a solution satisfactory to both parties. • Interoil and Trayectoria Oil & Gas agreed to settle the dispute and entered into a settlement agreement pursuant to which TOG was due to pay Interoil USD 4.0 million.
Q2 2015	• The Company's annual general meeting on 26 June 2015 resolved to approve a reverse split (amalgamation) of the Company's shares. The Company's shares had traded below NOK 1 since September 2014. In order to ensure adequate pricing and compliance with section 2.4 of the continuing obligations of stock exchange listed companies issued by the Oslo Børs, the Company's shares were consolidated (reverse split) in the ratio 10:1, such that 10 shares, each with a nominal value of NOK 0.05, were replaced by 1 new share with a nominal value of NOK 0.5 each. • In connection with and as part of the reverse split, the Company's annual general meeting resolved to increase the Company's share capital so that the Company's aggregate number of shares prior to the reverse split was divisible by 10. The Company's share capital was increased by NOK 0.25 through the issue of 5 new shares, each with a par value of NOK 0.05. Andes Energia subscribed for the 5 shares. • Following completion of the reverse split the Company had a share capital of NOK 32,345,157.50 divided amongst 64,690,315 shares, each with a nominal value of NOK 0.50. • The obligation to drill 1 WELL in Altair was extended by 9 months until July 2016.

Q3 2015	• The dispute regarding the claim of USD 40.5 million from PetroCarbon Investment SA ("**Petrocarbon**") was resolved in favour of Interoil by the Oslo District Court in April 2015. The court concluded that PetroCarbon did not have any claims against Interoil and Interoil was awarded full compensation for legal costs. • COR-6 Contract: ANH accepted the reconsideration petition filed by Interoil and decided that it will make a determination based on evidence to be gathered during the review period.
Q4 2015	• ANH established new regulations, and the guarantee for the second segment of the current exploration phase was set to 20 % of the commitment of USD 24 million, equivalent to USD 4.8 million • Andes and Canacol entered into a collaboration agreement, and Canacol acquired 49 % of Andes 51 % interest in Interoil. Canacol provided the USD 4.8 million guarantee.
Q1 2016	• In April 2016, the ANH issued a new resolution confirming that it reiterates the decision taken under the 2014 resolution that Interoil is in breach of the COR-6 Contract, claiming it is entitled to recover from Interoil, in the form of damages, the amount committed by Interoil under the contract. Interoil continued to believe it had a strong argument to defend the reasons for being unable to fulfil its obligations under COR-6 Contract and in view of such limitations beyond its control, offered to transfer its commitments to another license.
Q2 2016	• The obligation to drill 1 WELL on Altair was extended by 6 months until January 2017. • An agreement to transfer the USD 22 million assigned exploration commitments on COR-6 to Altair and LLA-47 was signed with the ANH and confirmed by the Attorney's General's office, subject to court approval. The obligations included high density geochemical sampling of 10,000 surface points to be taken on Altair and 20,000 on LLA-47, both to be completed by March 2017, in addition to drilling 1 stratigraphic well on the Altair license and 2 exploratory wells on the Altair license; all wells to be completed by April 2018. The Company is required to have in place standby letters of credit for an amount equal to 20 % of the remaining commitments. • Market conditions are very challenging. Prices remained low, and the Group has substantial obligations. The Group considered several financial solutions and potential farm-outs, and sought to extend the drilling commitments on the license areas until the projects can be economically justified.
Q3 2016	• The Court did not approve the COR-6 Contract and the Company filed a motion for reconsideration.

Q4 2016	• The Company decided to combine phases 1 and 2 under the Altair license agreement, subject to ANH approval. The commitment involves drilling 2 wells before 31 January 2019. • Agreement entered into with SLS Energy ("**SLS**") pursuant to which SLS assumed 90 % of the capex for the Turaco well in Altair. In consideration SLS will initially receive 85 % of the net operating income after taxes from the well, and 36 % once the cost of the investment has been recovered. • Agreement entered into with SLS pursuant to which SLS assumed 60 % of the capex for 3 WELLS in LLA-47. In consideration SLS will initially receive 43 % of the net operating income after taxes from the well and 22 % of the net operating income after taxes from the well after the cost of the investment is recovered.
Q1 2017	• Drilling of Turaco well in Altair • The Company combined phases 1 and 2 under the LLA-47 license agreement with a commitment to drill 10 exploration wells before 7 February 2021. • COR-6 reconsideration petition was rejected and payment request notice was received from ANH.
Q2 2017	• Vikingo well was successfully drilled and tested with a steady flow of 744 bopd on a natural flow. • Andes made a decision to focus on Argentina. Pablo Creta was appointed CFO/General manager and Leandro Carbone was appointed CEO. Three new board members were appointed. • COR-6 Contract arbitration process commenced.
Q3 2017	• Vikingo discovery resulted in new geological hard data and, as a result of this, 3D seismic acquisition field data is being reprocessed. • Mana's Geological Static Model validation and dynamic reservoir modelling commenced. It aims to improve the recovery factor and the feasibility of water flooding for restoring reservoir pressure.
Q4 2017	• LLA-47 and Puli-C environmental impact studies for licence upgrades commenced. • Turgas gas selling contract and Toqui-Toqui operation and maintanance contract were extended until December 2018 and 2019, respectively.
Q1 2018	• Vikingo facilities were finalised. • Seismic reprocessing has been concluded and the Company commenced interpretation of the areas of interest.
Q2 2018	• On July 5th, Vikingo went out of production due to a pump failure. • Settlement agreement with ANH reached in relation to COR-6 Contract dispute.
Q3 2018	• On November 6th Vikingo's workover operation successfully finished. The company will continue testing and evaluating the lower C7 formation. • The Arbitration Tribunal acting in the controversy between Interoil Colombia and the ANH to settle all the claims and disputes concerning the Exploration and Production Contract No. 68, Block COR-6 approved the conciliation agreed to by Interoil Colombia and the ANH. As a result, Interoil is released from any liability, penalty or responsibility relating to the COR-6 Contract.

Q4 2018	• The comprehensive efficiency improvement program started in 2017 reflected an administrative and indirect costs reduction of 28% in 1.6 million during 2018. • Vikingo well shut in due to the impossibility of accessing the location.
Q1 2019	• On February 5th, Vikingo well was put back on stream. • New export route established for Vikingo. Production is now being transported through Perenco´s pipeline at Oropendola station 15 km east from the well site, allowing a significant reduction in the road maintenance expenses.
Q1 2019	• Interoil enters the Argentine market broadening and diversifying its activities through the acquisition of three licenses in Argentina. These are expected to hold in excess of 8 million barrels of reserves and a significant potential in unconventional oil. • In line with the authorization granted by the shareholders, the Board of Directors resolved to issue approximately 32.3 million new shares as compensation to the sellers of the Argentinian assets and to settle supplier debt.
Q3 2019	• Colombian authorities have confirmed an extension of the Altair license until April 2020.
Q4 2019	• On December 30th 2019, the bondholder's approved the proposal for debt to equity conversion and maturity extension for the Bonds of the Company. As a result, and after the shareholders approved the terms on January 16th, maturity has been extended 6 years until January 2026, interest rate was fixed at 7.5% and 35% of the outstanding bonds were converted into equity. Company capital is increased accordingly.
Q1 2020	• In January 2020, Interoil acquired an 8.34 % participating interest in five exploitation concessions in the Santa Cruz region in Argentina. The consideration payable for the acquisition consists in Shares of the Company. • In January 2020, Interoil successfully strengthened its balance sheet through a conversion of the Bonds and maturity extension of the remaining Bond. The conversion was approved by the Extraordinary General Meeting held on January 16th, 2020. On December 30th 2019, the Bondholders had approved the proposal for debt to equity conversion and maturity extension. As a result, 35% of the then outstanding Bonds were converted into equity, maturity of the remaining Bonds was extended 6 years until January 2026 and an interest rate was fixed at 7.5% p.a. • On March 12, 2020, the President of Argentina declared by Decree 260/20 the sanitary emergency for a term of one year. Several further regulations have provided for a quarantine and social isolation that seriously limited social and economic activities. • On March 17, 2020, the President of Colombia issued Decree 417/20 acknowledging the oil price crisis and the impact of the Covid-19 pandemic and declaring the economic, social and ecological emergency in Colombia. • Market conditions deteriorated rapidly and unprecedently by a combination of oil price crisis and drastic fall of demand resulting from the Covid-19 pandemic, and the quarantine measures adopted by Governments. The Company initiates immediate actions aimed at a reorganization of activities, costs reduction, rescheduling of investments in accordance with applicable laws and control of expenditures with the view of mitigating adverse effects of harsh market conditions. The Company had some operational problems due to the closure of a gas transportation pipeline for safety reasons affecting the delivery of both gas and oil associated. Gas offtaker has subsequently (May 2020) permitted the Company to resume its deliveries. • The Company decided in May 2020 to temporarily shut down production from Vikingo due to low oil prices. Production at Vikingo was resumed in July 2020. • From March 2020, Interoil ceased to provide services for the operation and maintenance of the Toqui-Toqui field.

6.3 Business idea and strategy

6.3.1 Business idea

The Company is engaged in the acquisition, exploration, development and operation of oil and natural gas properties.

Interoil's strategy is to grow into a key E&P player in Latin-America through acquisition, exploration, development and operation of its existing reserves and resource base in Colombia and Argentina. Interoil is of the opinion that it has a large inventory of drillable prospects with a significant upside potential and has low risk development drilling, workover and gas re-injection targets within the Puli C, Mata Magallanes Oeste licenses and exploration prospects in its exploration licenses and five exploitation concessions in the province of Santa Cruz. As an independent oil & gas exploration and production company, Interoil aims to explore and produce oil & gas in an economically efficient, socially responsible and environmentally acceptable manner, for the benefit of shareholders, employees and co-venturers. The Company applies these same standards to activities in all regions in which it operates to satisfy both commercial and ethical requirements and continuously strives to improve performance and to act in accordance with good oilfield practice and high standards of corporate citizenship.

The Company also monitors and assesses developments and trends in the oil and gas and energy sectors, including progress and changes in adequate CSR and sustainable development practices, ESG standards and progress in energy transition initiatives, among others, as well as their impact on the Company's activities so as to design a responsive and adequate strategic planning and to carry out timely actions.

6.3.2 Competition

Exploration market

The table below sets out the Company's predominant competitors as well as the participation quotas of the Company and its main competitors in the hydrocarbons exploration market in Colombia.

Participation in the hydrocarbons exploration market in Colombia – May 2020

Company	Ha. Awarded	Participation %
Anadarko Colombia Company Sucursal Colombia	4,656,853	19.9%
Ecopetrol S.A.	3,782,881	20.1%
Talisman Colombia Oil & Gas Ltd	2,392,424	10.2%
Frontera Energy Colombia Corp.	1,835,548	7.9%
Hocol S.A.	1,753,736	7.5%
Petrobras International Braspetro Bv	1,032,348	4.4%
Repsol Exploracion Colombia SA	935,113	4.0%
Interoil Colombia Exploration And Production	59,963	0.26%
Total Colombia	**28,002,508**	**100%**

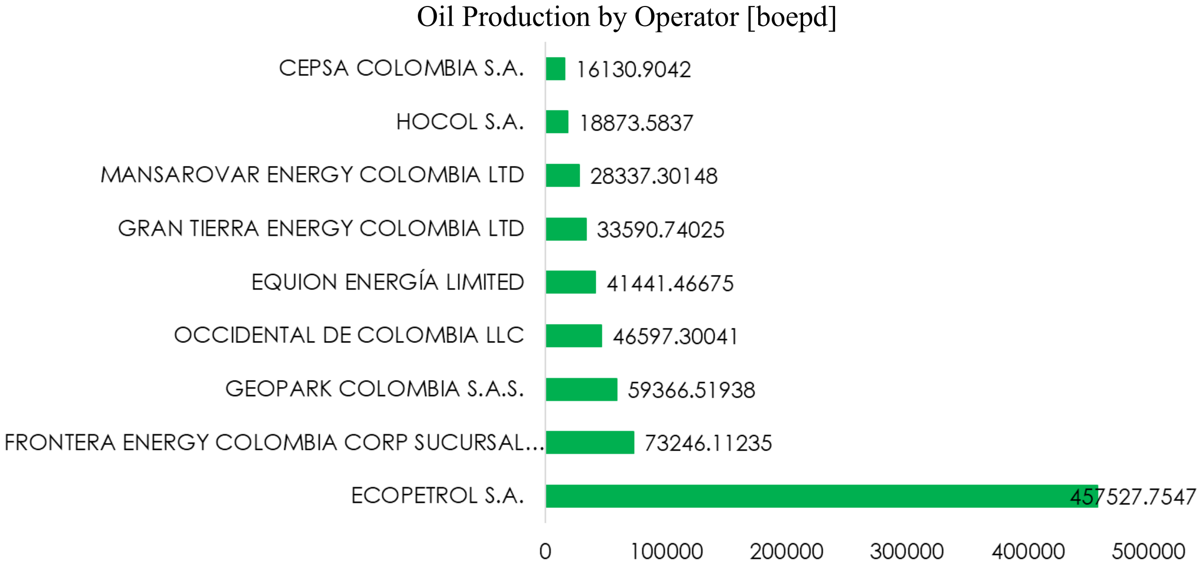
Source: Agencia Nacional de Hidrocarburos de Colombia land map (*mapa de tierras*).

The above table illustrates that the Company's competitors in Colombia have a larger number of hectares in exploration than the Company.

Production market

The table below sets out the Company's predominant competitors as well as the participation quotas of the Company and its main competitors in the hydrocarbons production market

Participation in the hydrocarbons production market in Colombia (2019)



Source: Asociación Colombiana del Petróleo (https://acp.com.co/)

Interoil often competes with the large players listed above in bidding rounds for new oil and gas exploration and production licences.

6.4 What is unconventional Oil and Gas[1]

Unconventional oil and gas differ from conventional from their position underground thus the unusual nature of where the hydrocarbon is produced from, their reservoirs. These conditions require the use of new, often state of the art technology, extraction methods.

Hydrocarbon deposits (oil and gas) take millions of years to form. The process starts when organic material (vegetation and animals) is gradually buried and decompose through time (thousands of millions of years) in an anaerobic system with high temperature and pressure. Hence, oil and gas form very deep underground in “source rock”. Then they begin their “migration” to the surface (oil and gas are lighter than water), then sometimes they are being accumulating in porous and permeable media, the “reservoir rock”, when sequestration conditions are favorable, a sealing layer on top stops the migration, “seal rock”, to start the filling in the reservoir .

Initially, oil and gas companies have first focused their exploration on developing activity on the "easy", thus conventional, hydrocarbon reservoirs with the greatest porosity and permeability, followed by reservoirs located deeper underground or in hard-to-reach areas,” as technologies was developed. In recent years, new advance and state of the art technologies have allowed the production of hydrocarbon directly from the “source rock”, hence “unconventional” development is possible, efficient and environmentally friendly

The breakdown below divides liquid and gaseous hydrocarbon, distinguishing which hydrocarbon comes from reservoir and from source rock.

Conventional: Oil and Gas found in reservoir rock

Tight oil: oil found within reservoirs of very low porosity and permeability and often small size. Exploitation requires the use of special techniques, such as “hydraulic fracturing” and “horizontal drilling” due to the low permeability of the rocks, the oil does not easily flow up to the surface hence more reservoir rock should be connected to the wellbore to increase fluidity.

Heavy oil: oils found in reservoirs with reasonable porosity and permeability properties; however, the high density and viscosity of the hydrocarbon makes it difficult to produce using conventional methods. More often than not, these deposits over geological time has degraded due to intense bacterial activity. The vast majority of heavy oil deposits are exploited by applying heat aimed at allowing the oil in the reservoir rock to flow to the wellbore. The main heavy oil deposits are located in Venezuela

[1]I FP & Planete Energies

Oil sands: a mixture of sand and bitumen (extra heavy oil) that is highly viscous, becoming solid at room temperature. Oil sands are found in conventional deposits that have risen to the surface due to tectonic activity. The bacterial degradation of oil sands is even more significant than in heavy oil. Hence, surface mining or in-situ methods involving steam injection are used for segregating sand and bitumen. The main oil sand reserves are located in Canada.

Unconventional: Oils found in source rock

While reservoir rock is usually porous, source rock is more often clayey with a plate-like appearance, hence the name "shale".

Oil shale: oil found in source rock that has not been buried deep enough for the organic matter to turn into oil. Oil shale is extracted using surface or underground heated techniques to reach high temperature (450°C) to obtain the oil – picking up where nature left off. The disadvantage is that a lot of water and energy is needed to "heat" the rock, resulting in a yield similar to oil sand production and lower than that of conventional oil.

Shale oil: oil that is trapped in source rock and has not been able to migrate toward the surface. Horizontal drilling and hydraulic fracturing techniques must be used to move the oil. Shale oil production quickly grew following "shale gas" production in some basins in Texas and North Dakota, and fueled the recent growth of U.S. oil production

Unconventional Gas found in source rock

Tight gas: gas found in the same type of reservoir rock as tight oil, i.e., with low porosity and permeability. The same methods – hydraulic fracturing and horizontal drilling – are used for extraction.

Shale gas: gas trapped in clayey source rock buried at varying depths below the surface, with high organic matter content. If the gas is buried deeply, it is known as "dry gas" (methane). If it is less deeply buried, it is known as "wet gas" (ethane, butane, propane and gasoline) where production is possible by hydraulic fracturing, Shale gas production revolutionized markets in the United States, reducing coal-fired electricity generation and prompting the beginning of liquefied natural gas (LNG) exports.

Coalbed gas (also known as coalbed methane): natural gas that is adsorbed in coal seams. Adsorption (not to be confused with "absorption") traps gases on the surfaces of solids. Coal has significant adsorption capacity. The release of adsorbed gas on coal produces firedamp, which causes mine explosions. Coalbed gas is extracted by pumping off water in the fracture spaces, which decreases the pressure in the coal bed. Coalbed gas is produced in more than a dozen countries worldwide.

6.5 Unconventional Development in the US[2]

In the US, unconventional production has grown rapidly after a long-term effort by the industry in partnership with the US Department of Energy. The development of large shale gas reserves was possible by applying new technologies in hydraulic fracturing and horizontal drilling, hence, the development of new unconventional fields has offset production declines from conventional reservoirs, and has led to major increases in hydrocarbon reserves.

US milestone in unconventional development

1970. Federal price controls on natural gas led to shortages and faced with declining domestic natural gas production.

1975 The Department of Energy partnered with private gas companies to complete the first successful air-drilled multi-fracture horizontal well in shale in 1986. US government invested in many supply alternatives, including the Eastern Gas Shales Project from 1976 to 1992.

1976 Two engineers for the federally funded Morgantown Energy Research Center (MERC) patented an early technique for directional drilling in shale. The Eastern Gas Shales Project concentrated on extending and improving recoveries in known productive shale gas areas, particularly the greater Big Sandy Gas Field of Kentucky and West Virginia.

1980 The federal government also provided tax credits and rules benefiting the industry in the 1980 Energy Act: "Gas production from Devonian shales was exempted from federal price controls, and Section 29 tax credits were given for unconventional gas, including shale gas, from 1980 to 2000"

[2] Energy Information Administration (EIA)

1990 Although the work of the Gas Research Institute and the Eastern Gas Shales Project had increased gas production in the southern Appalachian Basin and the Michigan Basin, shale gas was still widely seen as marginal to uneconomic without tax credits.

2000 Shale gas provided only 1.6% of US gas production when the tax credit expired.

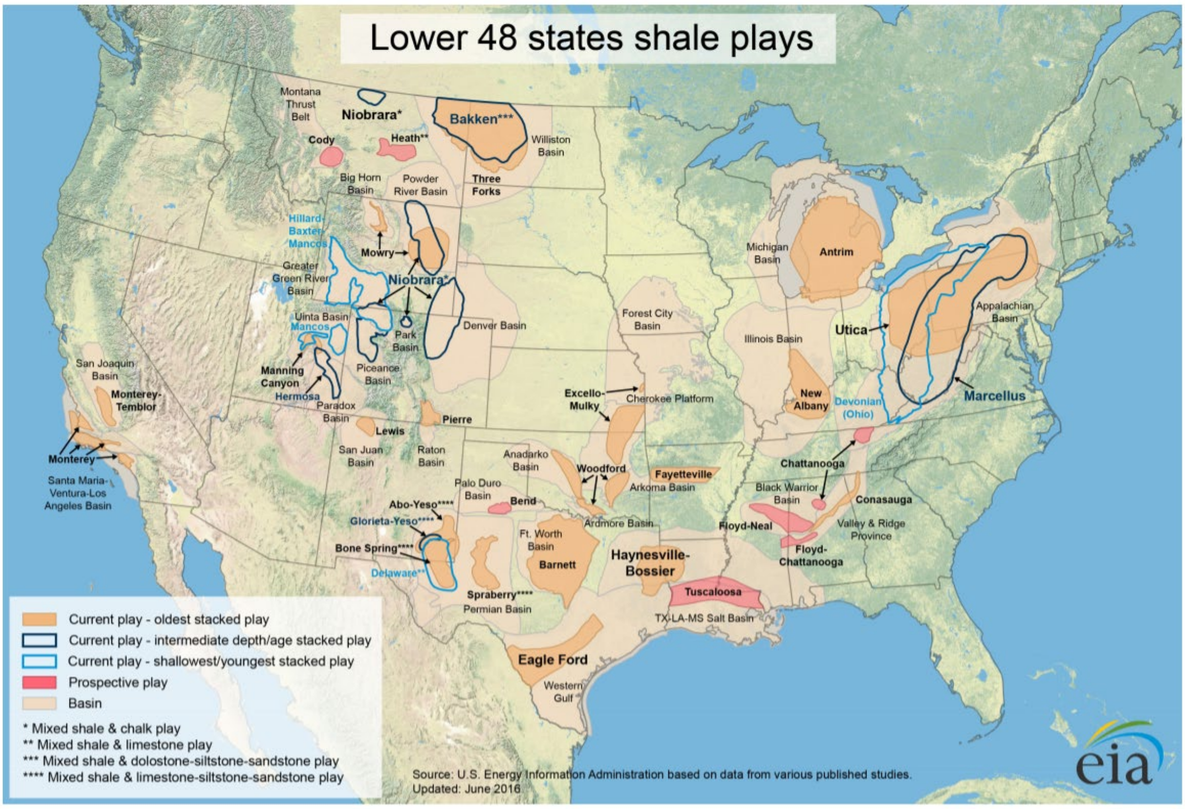
2005 Gas Resource Institute partnered with Mitchell Energy in drilling horizontal wells in the Barnett Shale becoming highly successful and outnumbered vertical wells.

+2007 Advances in technology led to greater productivity. The Energy Information Administration has reported that drilling for shale gas and light tight oil became much more efficient, i.e.:

Bakken wells produced 4 times as much oil as those drilled five years earlier

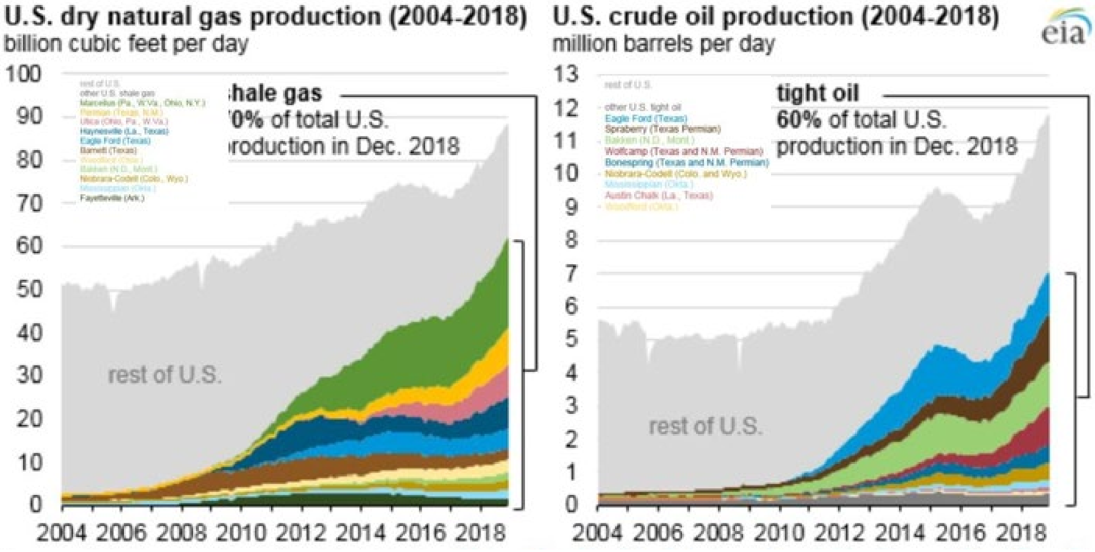
Marcellus wells drilled produced more than 9 times as much gas per day of those drilled five years previously

Then these unconventional improvement techniques have yield hydrocarbons production (natural gas, condensates, and crude oil) be produced from a variety of source rocks spread-out in many unconventional basins within the US i.e: Barnett, Haynesville, Marcellus, Eagle Ford, Fayetteville, Woodford, Bakken, Niobrara, Horn River, Permian Basin, and Utica.



Map above highlights unconventional developments by basin in North America (Canada, US and Mexico) [3]

[3] Energy Information Administration (EIA): Shale gas and oil plays, Lower 48 States (2016)



Source: U.S. Energy Information Administration, *Natural Gas Monthly*, *Petroleum Supply Monthly*, and *Short-Term Energy Outlook*, and DrillingInfo

The graph above highlights unconventional versus conventional production in time by basin in US

In December 2018, U.S. shale and tight plays produced 70% of total US natural gas and 60% of total US crude oil where a decade ago, in December 2008, shale gas and tight oil accounted for only 16% of total U.S. gas production and about 12% of U.S. total crude oil production.

As a summary, the main reasons that underpinned the US unconventional revolution are:

i. favorable fiscal regime,
ii. knowledge of the geology,
iii. investment in research and technology,
iv. upstream key players involvement,
v. political support and
vi. public acceptance, especially with the fracking technique.

The economic success of unconventional developments in the United States has led to rapid expansion of unconventional in Canada, and, more recently, has spurred interest in Europe, Australia, and Argentina.

As for 2019, tight oil development and tight and shale gas resources continue to be the main drivers for the United States oil and dry natural gas production. The EIA estimates that during this year 7.7 million barrels per day or 63% of total production were produced directly from tight resources in the U.S.

As for 2020 and 2021, crude oil production is expected to fall due to coronavirus (COVID-19) effects on demand for petroleum and crude oil prices. According to projections, oil production will average 11.7 million barrels per day (b/d) and 10.9 million in 2020 and 2021, respectively. As a result, production will be lower by 0.5 million b/d and 1.3 million b/d, respectively, compared to 2019 figures.[4]

6.6 Unconventional Development in Argentina[5]

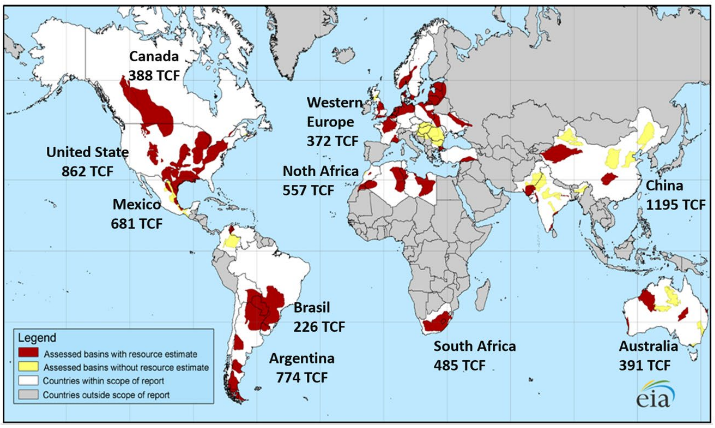
Argentina's economy is largely dependent on fossil fuels, where gas represents more than 50% of its energy consumption. Thus, there is a well-established oil and gas industry span throughout the entire country with open access transportation trunk lines and gas intensive industries, plus gas-fire power generation units with aeroderivative type of technology.

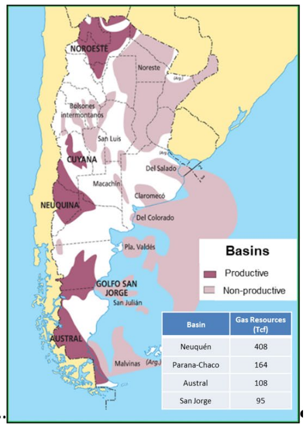
Until the mid-2000s, Argentina generated significant surplus hydrocarbon production which was exported to nearby countries: Chile, Brazil Uruguay and elsewhere. However, and especially after the economic crisis of 2001, the public policies that prevailed had an increasing governmental interventionism with "controlled" energy pricing and widespread subsidies that led to a drastic decline in hydrocarbon reserves and production. Hence, Argentina became a net hydrocarbons importer (both oil and gas) by mid-2008 where natural gas – through

[4] Energy Information Administration (EIA) - EIA forecasts U.S. crude oil production to fall in 2020 and 2021 (may 2020)
[5] The Oxford Institute of Energies - Unconventional Gas in Argentina

Liquefied Natural Gas (LNG)- diesel and fuel oil where imports requirement to cope with power generation demand.

After a decade of declining conventional production and the increasing awareness of unconventional resource, especially tight-sands gas and shale located in the Neuquén basin, the government started promoting domestic gas prices aimed at attracting investment to accelerate the unconventional production. Based on EIA report, Argentina possesses world-class unconventional resources estimated at 774 Trillion cubic feet (Tcf) of risked shale gas and 27 billion barrels of risked shale oil positioned below US shale gas player worldwide; where the Neuquina Basin has the most promising unconventional formation “Vaca Muerta” with thickness from 50-450 meters.

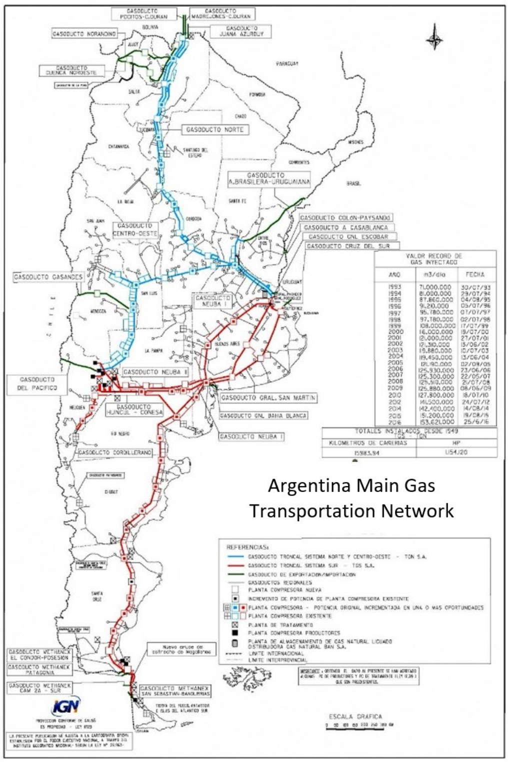


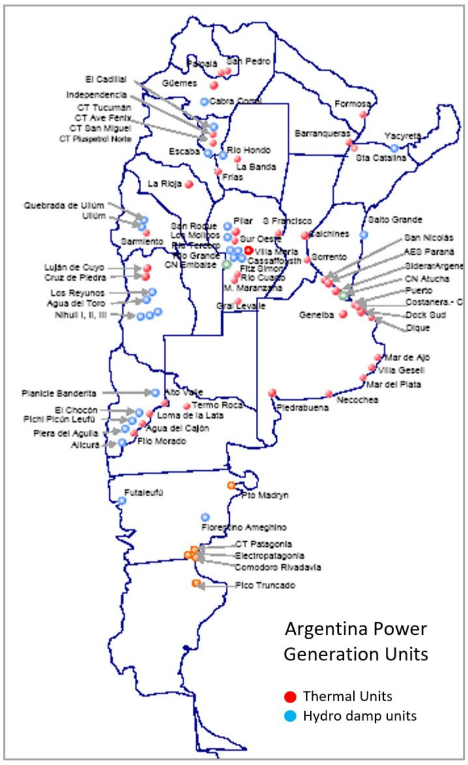


Figures above illustrates the significant Argentina’s unconventional resources plays worldwide and also the importance of the Neuquina basin among other basin in the country, four of which are currently productive (Noroeste, Neuquina, Golfo San Jorge and Austral), whereas the Chaco-Paranaense is not an active shale oil and gas resources yet.

Unconventional shale resources have generated great expectation in Argentina where the most relevant unconventional shale activities have been in Vaca Muerta, Los Molles and Agrio formations in Neuquén Basin, and D-129 Formation in Golfo San Jorge Basin.

The Neuquina Basin is strategically placed in the heart area with a well-developed oil and gas infrastructure transportation system connecting to the main industrial centers and main economic activities in Argentina.





Figures above illustrates Argentina’s energy market against Neuquina Basin strategic position to supply competitive unconventional resources to both domestic and export hydrocarbon demand.

The Golfo San Jorge Basin is a hydrocarbon-rich sedimentary basin located in eastern Patagonia, Argentina. The basin covers the entire San Jorge Gulf and an inland area west of it, having one half located in Santa Cruz

Province and the other in Chubut Province. This Southern Argentina Basin constitutes the first region where oil and gas production started in the early XX century.

The Golfo San Jorge Basin accounts for almost half of Argentina's oil and gas production where three major companies concentrate more than 80% of the E&P activity in this region: YPF, Pan American Energy, and Sinopec. Even though production peaked in 1999, either oil and gas production has almost been steady every year since. This unique peculiarity suggests the hydrocarbon prone and potential this basin still holds. Since 2016, investments in this basin have allowed operating companies to have more than 6,000 production wells n stream day after day.

Moreover, it is the largest producing basin in Argentina where oil production accounts for 45.1% of the oil produced in Argentina. As of 2018, this basin had proven oil reserves of 232,513 Mm3 and 43,798 Mm3 of proven gas reserves. [6]

As of 2019, the oil production in the San Jorge Basin was 13,326 Mm3 while the gas production was 4,681 Mm3. This situation represents a decline in both the oil and the gas production of 1.1% and 5.4%, respectively, compared to previous year.

The Company holds participating interest in two blocks located in this region with unconventional potential.

6.7 Argentina against US unconventional growth[7]

The Neuquén basin currently is the most active unconventional basin in Argentina where the Vaca Muerta formation lays on, followed by the Golfo San Jorge Basin with its Mata Siete or D-129 formation. This unconventional development is in an earlier stage, called as "pilot stage", where some unconventional wells are being evaluated with very promising results. Regardless their development stage either basin has attractive unconventional characteristics when compared to any US one, as can be seen in the table below.

		Vaca Muerta	**Mata Siete or D-129**	Barnett	Haynesville	Marcellus	Eagle Ford	Bakken
TOC (Total Oil Content)	[%]	**6**	**2**	5	2	12	4	12
Thickness	[m]	**450**	**250**	91	76	61	65	30
Depth	[m]	**3.000**	**2.500**	2.300	3.700	2.100	2.300	1.900
Area	[km^2]	**67.000**	**45.000**	1.700	24.000	245.700	5.200	5.200
Reservoir Pressure[8]	[psi]	**9.000**	**3.000**	3.500	10.800	3.400	4.500	4.200

The table above illustrates Vaca Muerta and D-129 unconventional petrophysics characteristics with those once most representative in the US.

Vaca Muerta milestone in unconventional development

Following the unconventional development in the US, YPF started technical unconventional studies on Vaca Muerta knowing its unique unconventional potential:

2007 YPF started lab and research studies on Vaca Muerta in Loma La Lata Field.

2009. First unconventional well drilled in Loma La Lata Field by YPF did not reach target formation, Vaca Muerta.

2010. Second unconventional well in Vaca Muerta and first one to be declared as economical viable in Loma La Lata for shale gas.

Third unconventional well in Vaca Muerta and first unconventional well in Vaca Muerta declared as economical viable in Loma La Lata for shale oil.

2011 Additional unconventional pilot drilling performed by YPF in Bajada de Añelo, Loma Campana and Northern Loma La Lata as appraisals are declare as commercial developments.

2012 Total, EOG, BP declared unconventional development in region within the Neuquina Basin. YPF drilled three unconventional pilot wells in the Golfo San Jorge basin targeting D-129 formation.

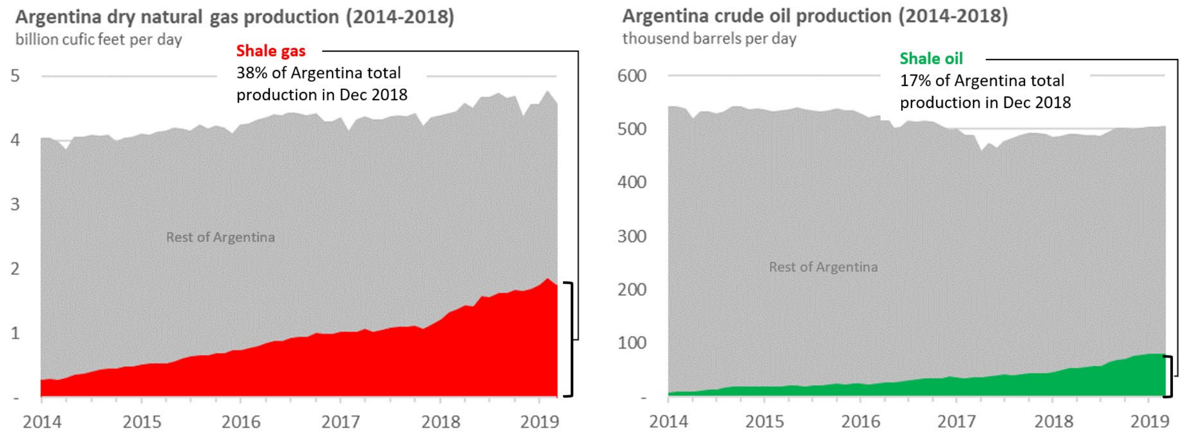
2014 Unconventional gas developments started to supply domestic demand in Argentina.

[6] IAE: "La producción de hidrocarburos en Argentina Informe Anual año 2019" (March 2020)
[7] Argentina Minister of Energy
[8] The use of the word "reservoir" in the oil industry applies to the formation where oil is accumulated underground. As oil (hydrocarbons) is a compressional fluid, the more pressure any reservoir withholds, the larger the petroglyphic potential is deemed to be.

2018-2019 Many operating companies i.e.: YPF, Chevron, Total, Pluspetrol, EOG, VIsta Oil & Gas, Shell, alone or in partnership with Dow Petronas, Statoil, ExxonMobil, Sinopec, Gazprom and several smaller local and international companies are actively investing in unconventional developments.

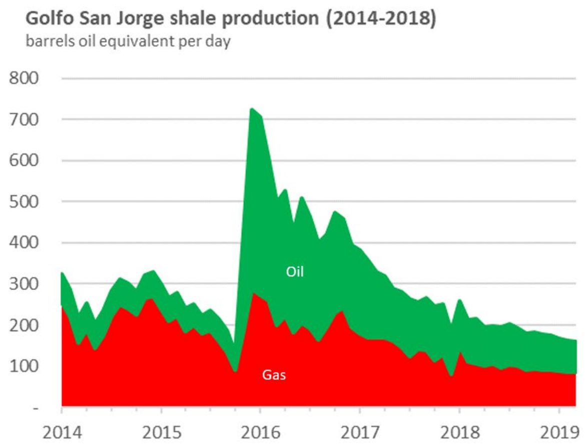
At current international oil prices and domestic gas prices, the expansion of Argentina’s hydrocarbon production has come mainly from unconventional and it is expected to increase its participation in the short term.

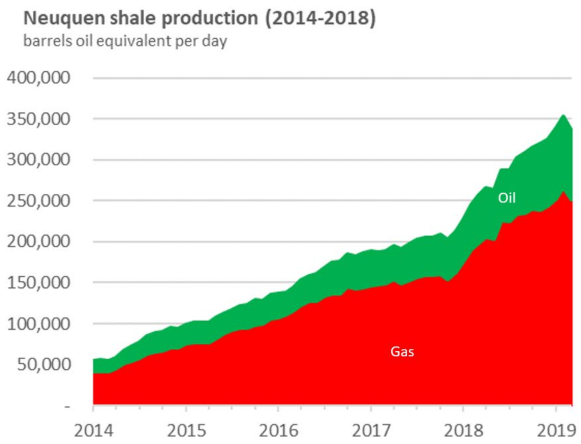
During these years, the expansion of Argentina’s hydrocarbon production has come mainly from unconventional and it is expected to increase its participation in the short term.



The graphs above highlights unconventional versus conventional production in time Argentina

The results obtained to date in unconventional developments confirm the vast potential for shale oil and gas in Argentina. In particular Vaca Muerta in the Neuquina Basin, is a proven real “game changer” where Mata Siete, in the Golfo San Jorge Basin, is steadily following behind in an earlier development stage with encouraging results.





6.8 Assets and reserves overview

6.8.1 Asset overview

The Company currently has the following exploration and/or production licenses in its portfolio in Colombia and Argentina:

License	Country	Interest	Operator	Partners	Field information
Puli C	Colombia	70 %	Interoil	Ecopetrol	Production onshore
Altair	Colombia	90 %	Interoil	Erazo Valencia SA	Production/Exploration onshore
LLA-47	Colombia	100 %	Interoil	SLS Energy	Production/Exploration onshore
Mata Magallanes Oeste	Argentina	80 %	Interoil*	Petrominera Selva María Oil	Production/Exploration onshore
Cañadon Ramirez	Argentina	80 %	Interoil*	Petrominera Selva María Oil	Exploration onshore
La Brea	Argentina	80 %	Interoil*	JEMSE Selva María Oil	Production/Exploration onshore
Chorrillos	Argentina	8.34%	Interoil*	Echo Energy IOG Resources	Production/Exploration onshore
Campo Bremen	Argentina	8.34%	Interoil*	Echo Energy IOG Resources	Production/Exploration onshore
Oceano	Argentina	8.34%	Interoil*	Echo Energy IOG Resources	Production/Exploration onshore
Moy Aike	Argentina	8.34%	Interoil*	Echo Energy IOG Resources	Production/Exploration onshore
Palermo Aike	Argentina	8.34%	Interoil*	Echo Energy IOG Resources	Production/Exploration onshore

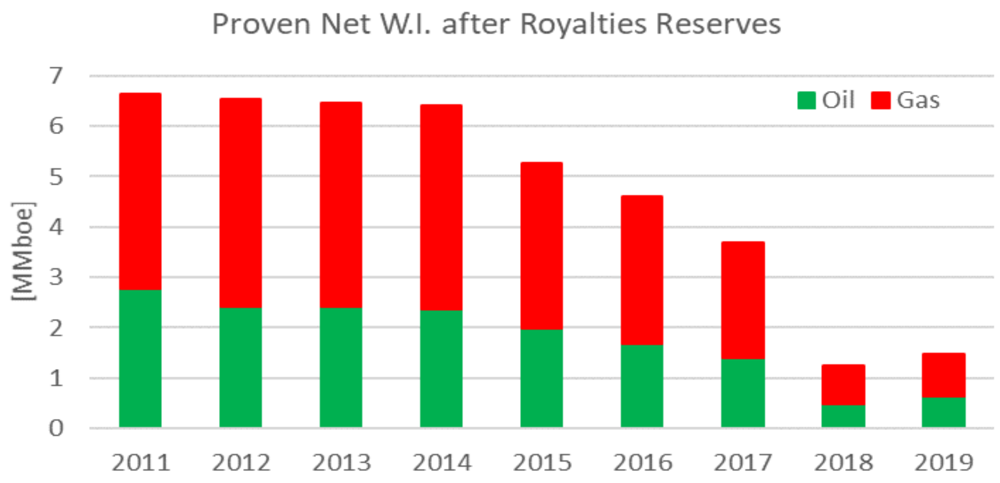
*once approved by local regulators. It is uncertain when such approval, if granted, will be received. The Company expects that the Covid-19 pandemic, which resulted in a suspension of administrative proceedings in Argentina, will adversely affect the timing of the approval process. The Company is, however, of the opinion that approval, if granted, is likely to be received by the end of 2020.

6.8.2 Reserves

As of December 31, 2019, the 1P oil net reserves after royalties decreased by 0.1 MMBls, 2P oil net reserves after royalties increased by 0.15 MMBls and the 3P oil net reserves after royalties decreased by 0.12 MMBls. The net annual oil production after royalties was 0.24 MMBls.

For gas the 1P net reserves after royalties increased by 0.05 Bcf, the 2P gas net reserves after royalties increased by 2.73 Bcf and 3P gas net reserves after royalties increased by 1.70 Bcf. The net gas production after royalties was 1.25 Bcf and sales were 1.12 Bcf.

The reserves have been estimated and classified according to the "Petroleum Resources Management System", developed and approved in March 2007 jointly by the Society of Petroleum Engineers, World Petroleum Council, American Society of Petroleum Geologists and Society of Petroleum Evaluations Engineers, hereafter referred to as the "SPE PRMS"[9] and have been audited by the independent petroleum engineering firm, Gaffney, Cline & Associates Inc. (with address 5555 San Felipe St., Suite 550 Houston, Texas 77056). The most recent reserve statement from Gaffney, Cline & Associates was completed in January 2017. Interoil's annual statement of reserves, which is based on the Gaffney, Cline & Associates reserve statements (available on Interoil's website www.interoil.no.)



6.8.3 Quantitative Information

A summary of the 1P and 2P reserves per association contract and block as at 31 December 2019 is provided in the table below.[10] The reserves have been further subdivided into a Developed Producing, a Developed Non-Producing and an Undeveloped category, in accordance with the SPE PRMS definitions of these categories. Reserves are considered developed only after the necessary equipment has been installed or when the costs to do so are relatively minor compared to the cost of a well. Reserves are considered undeveloped when future investments, such as drilling of new wells, are required to recover the reserves. Altair is a separate license whereas Ambrosia, Rio Opia and Mana are sub-areas in the Puli-C license.

Reserves net to Interoil's interest are calculated as working interest minus royalties and minus ANH participation.

[9] For a full description of the "SPE PRMS", please refer to the Society of Petroleum Engineers website: www.spe.org.

Reserves	Gross (100%) Volumes		Interoil's Working Interest volumes		Reserves Net to Interoil's Interest	
	Liquids (MMBbl)	Gas (Bcf)	Liquids (MMBbl)	Gas (Bcf)	Liquids (MMBbl)	Gas (Bcf)
Proved						
Developed	0.85	2.96	0.60	2.07	0.56	1.94
Undeveloped	0.16	0.90	0.11	0.63	0.10	0.59
Total 1P	**1.01**	**3.86**	**0.71**	**2.70**	**0.66**	**2.53**
Total 2P	1.69	8.80	1.18	6.16	1.09	5.76
Total 3P	1.69	8.80	1.18	6.16	1.09	5.76

6.9 Colombia

6.9.1 Introduction to Interoil Colombia

Interoil Colombia is an active operator in the Colombian upstream oil and gas industry with a diversified portfolio of production, development and exploration assets. Interoil Colombia is a limited liability corporation registered in the British Virgin Islands operating through the Colombian branch. Interoil Colombia is a 100 per cent ultimately owned subsidiary of the Company.

Interoil Colombia's main office is in Bogotá with operations in the Middle Magdalena Valley, Upper Magdalena Valley and in the Llanos basin. Interoil Colombia is a fully integrated company and has a management team, employees and a technical team covering all aspects of operational oil and gas exploration and production. As at 31 March 2020, Interoil Colombia had 53 employees of which 40 are in the production and operations department which handles production and conducts field operations and maintenance. The exploration department has 1 employee and the technical department has 39 employees. 13 personnel are involved in administration and back office positions. As is customary in the industry, Interoil Colombia engages temporary personnel to supplement during peak workloads. As at 31 March 2020, 17 % of the personnel in production were on fixed contracts.

The Company's producing licenses cover a total area of approximately 57,000 acres and are located in the Middle Magdalena Valley and the Llanos Basin. The producing licenses are part of the Puli C block, which includes three active association contracts (Ambrosia, Mana and Rio Opia), LLA-47 and the Altair block. The corporate tax rate in Colombia was 40 % in 2017 and 2016 and an additional equity tax of 1.15 % applied during these years. There are no minimum production level requirements for the blocks. The produced oil is brought to market via trucks and pipelines.

Interoil expects to continue producing on its production licenses until they expire in 2027, 2028 and 2036, respectively.

Block	Association contract	Operator	Gross acres	Interoil WI	Expiration date	Oil royalty
Production						
Puli C	Mana	Interoil	13,000	70 %	Nov. 2028	8 %
	Rio Opia	Interoil	998	70 %	Jun. 2030	8 %
	Ambrosia	Interoil	3,800	60 %/70 %1)	Dec. 2027	8 %
Altair	Altair	Interoil	39,500	90 %6)	Jan. 20193)	8 %
Exploration						
LLA-47	N/A	Interoil	110,500	100 %5)	Feb. 2021 2)	8 %4)

Notes: 1) Sismopetrol S.A. owns 14 % of the AMB-1 well and 7 % of the remaining existing wells in Ambrosia through a revenue sharing agreement. For future wells in Ambrosia, Interoil Colombia holds a 70 % WI. However, Sismopetrol has an option to participate with a 7 % WI. 2) Represents end exploration phase 1 and 2 which is unified. 3) Represents end of phase 1 and 2 of the subsequent exploratory program. 4) In addition, LLA-47 carries an X Factor royalty of 15 %, calculated net of royalty. 5) SLS will assume 60 % of the capex for 3 wells in LLA-47 (one already drilled), and will receive a consideration of 43 % of *the net operating income from the wells and 22 % once the cost of the investment has been recovered. 6) SLS assumed 90 % of the capex for the Turaco well drilled in Altair. Consideration agreed to 85 % of the net operating income from the wells and 36 % once the cost of the investment has been recovered.*

6.9.2 Environmental and legal conditions

Generally, exploration licenses in Colombia are awarded through open bid rounds where interested parties bid based on a combination of investment commitments and royalty rates. To be awarded a license, government (ANH) approval is required. Such approval is dependent on, amongst other things, current production and activities in Colombia and bank guarantees for parts of the investment commitments. Following ANH approval, companies are required to obtain an environmental and landowners permit in order to execute the committed activities. Permission for the environmental and social aspects must be sought from two ministers, the Minister of Environment and the Minister of Government and Interior, respectively.

Companies performing E&P activities must have either: (i) an association contract granted by Ecopetrol or (ii) exploration and production contracts granted by the ANH. The main differences between these two types of contracts are presented in the table below. Any company that is an assignee of an existing contract or awarded a new contract, must satisfy the economic, legal, technical and operational requirements that are required for a company to perform E&P activities. Additionally, aside from the E&P contract activities, the operator needs to obtain the corresponding environmental permits (exploration and production environmental licenses among others).

Matter	Association contracts	E&P Contracts
Granting authority	Ecopetrol	ANH
Supervising authority	Ecopetrol	ANH
Bank guarantees for exploration commitments	Not applicable	The initial amount is 50 % of the additional exploration commitments which amount must be increased to 100 % over time
Working Interest	Ecopetrol is a partner, hence participates in %	The operator is the sole owner of the contract
Additional payments other than royalties	None	High prices right: it is applicable once production has exceeded a predetermined amount. X participation in production: At the time of the bid the operator offers a % of participation to the nation in production

In order for a company to be an E&P operator, a company is required to prove that it has operated production in Colombia or another country. The company has to have constant interaction with 1) ANH or Ecopetrol (or its subsidiary Hocol), for issues relating to management of contracts and licenses; 2) The National Environmental Agency (ANLA), for issues relating to environmental permissions; 3) Ministry of Interior, for issues relating to communities; 4) Ministry of Mines, for issues relating to exploration and production activities and management of contracts; 5) Ministry of Environment, for issues relating to environmental permits; and 6) Army and Police and the Defence Ministry, for issues relating to security.

A license or contract can be terminated if (a) the operator does not perform the activities committed to in the contract or remains inactive for more than 6 months (b) the operator is in financial distress or bankruptcy or (c) other commitments such as bank guarantees are not fulfilled. If a licence or contract is terminated unilaterally, the operator will be banned to contract with the ANH or any other governmental authority for a period of 5 years from such termination. Additionally, in the event of a termination (unilaterally), the minimum and additional exploration commitments for the current phase need to be paid to ANH in its economical equivalent.

For more information, see the website of ANH: www.anh.gov.co.

Interoil Colombia holds all necessary permits and licenses to operate all of its licenses. Interoil Colombia has the enviromental license from ANLA to develop its exploration activities in Colombia.

An environmental license imposes obligations such as report submission, water and air quality monitoring, etc. If these obligations are not satisfied, fines may be imposed and, if the fines are not repaid, the environmental license may be terminated.

For seismic acquisitions, operators need to prepare two studies; an MMA (environmental management measures) and a PMA (preparation of environmental management plans). These studies measure the actual status of the area and the operations in order to reduce the fingerprints of the exploration activities. Community consultations are also required.

Before drilling, operators must first conduct an EIA (environmental impact assessment). Following completion of the EIA, the environmental authority may grant a license to operate (drill) in a relevant area. Once the license to drill in the area has been granted, the operator has to conduct a PMA for the drilling activity.

ANH has approved Interoil's request to combine phase 1 and phase 2 of the LLA-47 and phase 1 and phase 2 of the subsequent exploratory program of the Altair exploration license.

Interoil Colombia recently declared commerciality on the Viking well discovery. As a result of such declaration Interoil Colombia must undertake a complete EIA to be approved by the ANLA and also a development programe to be submitted to the ANH.

On 3 May, 2011 Interoil Colombia entered into the Exploration and Production Contract No. 68, Block COR-6 with the ANH (the "**COR-6 Contract**"). Several community issues, and to some extent also environmental issues, prevented Interoil Colombia from commencing works in accordance with the COR-6 Contract. This led to a conflict with the ANH that eventually resulted in an arbitration On June 2018, Interoil Colombia and the ANH finally reached an agreement to settle all outstanding claims and disputes in relation to the COR-6 Contract. The settlement included a termination of the COR-6 Contract by mutual agreement and a mutual waiver and definitive release of the parties to make any claim with regard to the COR-6 Contract. By means of the resolution of the Arbitration Tribunal dated October 2, 2018, the tribunal has approved the Conciliation Agreement giving full effects to its provisions and terminating the dispute

6.9.3 Economic conditions

In addition to the applicable royalties, as shown above, all taxable income in Colombia is charged a corporate tax rate. In 2017 and 2016, the corporate tax rate was 40% which was reduced to 37% in 2018 and again reduced to 33% in 2019. Tax on equity was 1.15% for 2016 and 2017. Exploration costs are not tax refunded until a company is in a tax position. Contracts with ANH are also subject to high price rights which are additional royalty payments that commence once an exploitation area has an accumulated production in excess of 5 MMbbl (gross).

During the exploration phase, there are economic rights that need to be paid depending on the area and location of the license. Additionally, during the production phase, there are additional economic right payments such as royalties.

The production phase commences automatically following the declaration of a commercial discovery by the ANH during the exploration phase of a license. In LLA-47, the production phase is to continue for 24 years following the declaration of a commercial discovery.

After a discovery is made, production equipment and facilities (tanks, scrubbers, lines, engines, etc) are required. The production equipment and facilities are typically leased during the test period and once the operators declare that the discovery is commercial, a decision is made in order to define whether to buy the facilities or continue with leasing arrangements. This is predominately a decision based on the finances of a company.

At Puli C and Altair, most of the facilities equipment (>95 %) is owned by Interoil. This includes tanks, pipelines, compresors, trucks and production related equipment. Rented equipment is mainly related to equipment that is occasionally required for shorter periods of time.

The difference between the two types of contracts described above (association contracts with Ecopetrol -or Hocol- and E&P contracts with ANH) in terms of economic conditions is that contracts with ANH involve the requirement for bank guarantees and the potential for additional payments such as high price rights, which requirements are not present in association contracts.

6.9.4 Operational track-record in Colombia

During the term of Interoil Colombia's operations, between 0 and 12 production wells have been drilled per year on the various licenses held by the Company. Targets have been selected based on 3D seismic and today, 50 wells are in production at Puli C (Mana, Rio Opia and Ambrosia), and 1 well is in production at LLA47.

During 2006, Interoil Colombia successfully extended the Mana field towards the west with two exploration wells, increasing recoverable volumes in the field by 9 Mmboe. In 2010, at the first exploration well in the Altair block in the Llanos Basin, the Altair field was dicovered which has produced 4.2 thousand bbl net oil for Interoil. In addition to this well, Interoil has drilled 3 other wells on the Altair field, one of which was dry and the other, drilled in 2012, was not commercial and was therefore suspended. The third well, drilled in 2017, has been completed and tested in the upper section of the C7 formation where oil and water is flown 17 bopd and 131 bwpd respectively.

At the time of Interoil's acquisition of the Colombian assets from Mercantile in 2005, gross production was approximately 1,400 bbl/day (approximately 700 bbl/day net for Interoil Colombia). Through investments in drilling, workovers and stimulation jobs (including hydraulic fracturing) mainly focused on the Mana contract area, production was increased to more than 4,000 bbl/day in late 2008 (approximately 2,500 bbl/day net to Interoil Colombia). Following relinquishment of the Armero license in 2011 and the Puli-B and Toqui Toqui licenses upon license expiry in March 2012, the January 2013 gross production was approx. 1,300 boe/day (968 boe/day net).

In 2013, a 12-well drilling program was carried out at Puli C on time and budget. Oil production increased by 66% from the start of the program until year-end 2013, with the new wells accounting for approximately 40% of total production. In addition, 735 Mboe were added to 2P reserves; 525 Mbbl oil and 1.1 BCF gas. On average, the wells had an initial production in-line with expectations and although the drilling program had been profitable on all metrics, the in-fill wells were affected by the depleted pressure in the reservoir and the initial declination rates were therefore higher than anticipated.

Following a thorough evaluation of the 2013 drilling program, a revised development plan for 2014 was proposed with the main focus of reducing declination to increase production from the 35 producing wells. 80 jobs were planned in 2014, including re-perforations, stim jobs, gas treatments and flow optimization. In addtion, drilling of 2-3 strategic wells to increase reserves and delineate the reservoir were planned. However, the majority of the planned 2014 development program was not carried out due to contractual issues with Ecopetrol, malfunctioning of operational equipment as a result of its lack of maintenance and increasing financial difficulties.

During 2015, Interoil assessed the previously proposed "3 phase multiyear Field Development Plan" at Puli-C and terminated this activity due to the higher than expected declination rate obtained from the first phase of the plan. Instead, the Company's focused on improving the production reliability of producing wells by applying work over interventions after a detailed study in the field. Interoil implemented a strong maintenance program including pump changes, paraffin cut, etc., in order to diminish the deferred production due to malfunction in the subsurface and surface equipment. The results obtained from those activities were positive.

In 2016, the technical team worked on a new static model to generate the dynamic model that will aid understanding the behaviour of the main producer reservoirs (Doima and Chicoral formations). The tasks included redefinition of a geological framework, stratigraphic sequences zonation and generation of a petro physical model that could honour all the existing information of logs (not considered before) and cores as well as geophysical reinterpretation of 3D seismic volume and creation of the static model for the two reservoir operational units.

On Altair exploration block, Interoil successfully drilled and tested the Turaco exploration well in the beginning of 2017. This well was completed and tested in the upper section of the C7 formation where oil and water flown was 17 bopd and 131 bwpd respectively.

Challenging weather conditions during the rainy season in Colombia have delayed the 3 WELL drilling campaign in LLA-47. However, Vikingo-1 WAS the first well on LLA-47 successfully drilled and tested with a steady flow of 744 bopd on a natural flow. Interoil has installed temporary production facilities and the well is on stream at around 550 bopd. Seismic reprocessing has been concluded and the interpretation of the areas of interest has commenced. Drilling will resume after seismic reinterpretation is finalised. During 2018 no wells were drilled.

During 2019, Interoil worked systematically to improve recovery from the three relatively old fields comprised in the Puli C licence (Mana, Rio Opia and Ambrosia). In October 2019, after careful studying of the static model, Interoil Colombia was successful in identifying a new potential layer of hydrocarbons in the Rio Opia field. After workover operations in this field, tests in the target formation were positive, adding 20 bopd to the output from the well. This has been an encouraging result that created new opportunities for the field.

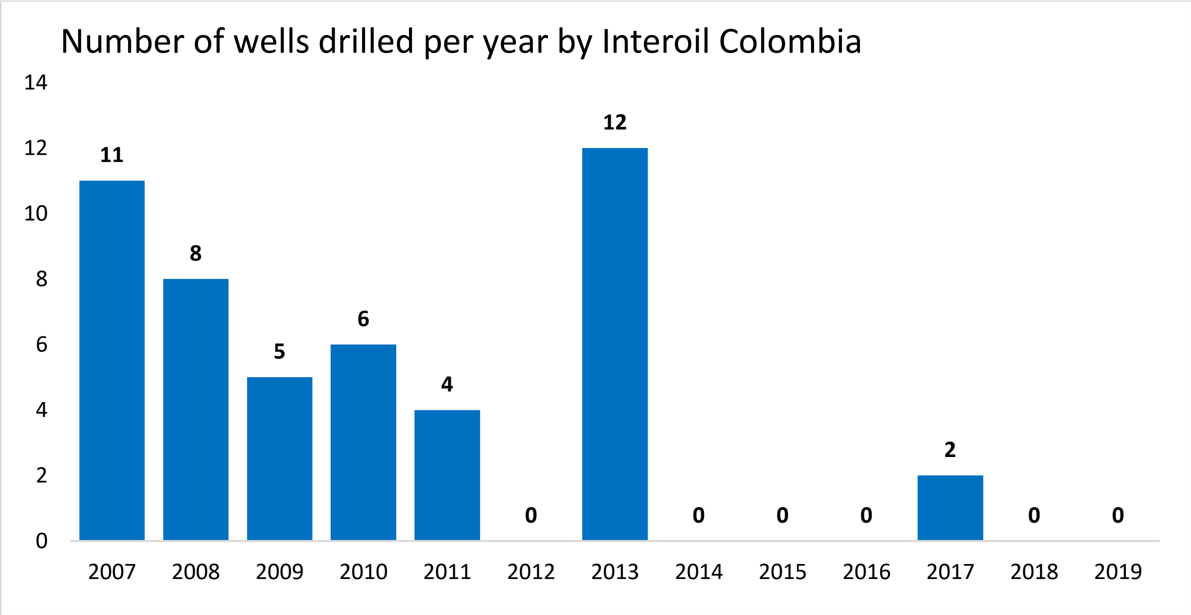
Since March 2020, Interoil Colombia's operations suffered from the effects of the oil price crisis and the emergency resulting from the Covid-19 pandemic. On March 17, 2020, the President of Colombia issued Decree 417/2020 acknowledging the oil price crisis and the impact of the Covid-19 pandemic and declaring the economic, social and ecological emergency in Colombia.

In furtherance of the above referred declaration of emergency, on April 7, 2020, the ANH issued Agreement 002/2020 (Acuerdo 002/2020) setting forth a framework of measures aimed at mitigating the impact of the emergency on companies with contracts with the ANH, including the extension of terms for exploration activities and the transfer of commitments between contracts with the ANH, among others. Interoil Colombia applied for an extension of terms of 12 months both for Altair and LLA-47. The ANH granted the extension as requested for both Altair and LLA-47 and as a result the new expiration dates of the exploration terms are April 27, 2021 for Altair and February 7, 2022 for LLA-47.

In May 2020, Interoil Colombia decided to temporarily close production at Vikingo as it was not economically viable with the prevailing oil price. In July 2020, production at Vikingo was resumed.

Notwithstanding the foregoing, Interoil Colombia declared the commercial discovery at Vikingo as a step towards a production concession. Interoil Colombia is working on the process to obtain environmental approvals required to convert the LLA-47 exploration license into a production concession.

Interoil uses conventional land rigs in its drilling operations.



6.9.5 Puli C production block

The Puli C block is located in the Middle Magdalena Valley basin in Colombia along the central Magdalena River with several existing fields within the block. Within the block, Interoil Colombia holds an operated interest in three association contracts; Mana (70 per cent WI), Rio Opia (70 per cent WI) and Ambrosia (59.9 per cent WI) in addition to a 100 per cent WI in the exploration acreage outside the association contracts. Ecopetrol holds a 30 per cent WI in the three active association contracts. The Puli C block was originally part of the larger Puli Block which was awarded in March 1984 and Interoil Colombia acquired the block through its acquisition of Mercantile's Colombian subsidiary in September 2005. Puli C contains the majority of Interoil Colombia's production and reserves. The reservoirs are 2,000 – 4,000 feet in depth and the porosity is 8-14%.

Infrastructure is relatively well established at Puli-C. All the wells are connected to the main facility at Mana where the oil is processed and stored in tanks before onward transportation through trucks. There is a substantial network of roads through the field which means that road accessibility is good with all the wells being accessible by car.

Other than to carry out the commitments (workovers etc.) that have, at any time, been agreed with Ecopetrol (Interoil Colombia's 30% partner -now through Hocol-), there are no economical obligations to sustain production at the block. Interoil estimates Prospective Resources at Puli-C to between 3 million barrels of oil and 18 million barrels of oil. Interoil is currently building the dynamic reservoir model and setting up a development plan for Puli-C.

As indicated above, in October 2019, after careful studying of the static model, Interoil Colombia was successful in identifying a new potential layer of hydrocarbons in the Rio Opia field. After workover operations in this field, tests in the target formation were positive, adding 20 bopd to the output from the well. This has been an encouraging result that created new opportunities for the field.

6.9.6 LLA-47 exploration block overview

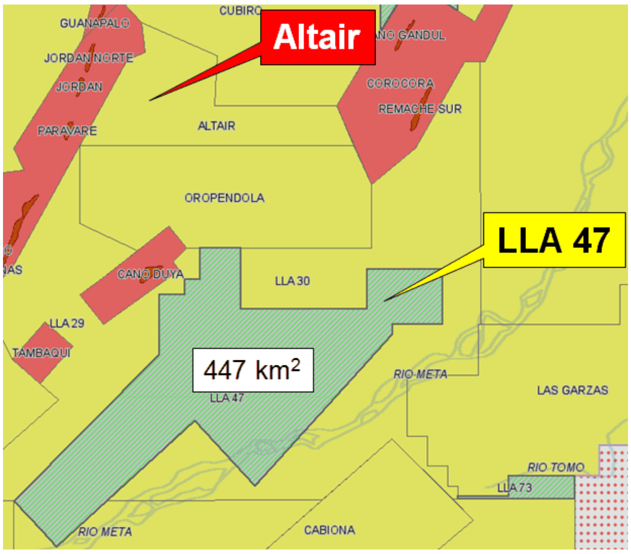
Interoil Colombia is the operator of the LLA-47 exploration block with a 100 % working interest. The block was awarded in the 2010 open bid round. In 2013-2014, Interoil spent USD 14 million to acquire and process 3D seismic. Based on the data and analysis, Interoil estimates that there are more than 65 million barrels of oil in place. Given the prevailing recovery factors in the Llanos basin, Interoil expects the resource potential to be more than 20 million barrels ("best" estimate of Prospective Resources). The potential of LLA-47 is further supported by the fact that the license is situated in an area with prolific neighboring fields. Interoil has combined phase 1 and phase 2 of the licence agreement and has commitments to drill 10 wells by February 2020 (no interim deadlines) with estimated costs of USD 30 million. In addition to the seismic acquisition, processing and analysis in 2014. In 2017, Interoil successfully drilled Vikingo the first of the committed exploration well on the block.

The ANH has agreed to change the work requirements to 10 wells (one of which has already been drilled) and 4,098 geochemistry samples in replacement of well coring and other well activities.

The final exploration phase at LLA-47 ends on 7 February 2021 and the production phase ends 24 years after a commercial declaration of a well is made before the ANH. To keep LLA-47 until the end of the exploration phase, Interoil must: (1) Conduct the activities committed for the first and second exploration phase (seismic and wells), and (2) Have in place bank guarantees when requested in respect of the required amounts.

As noted above Interoil Colombia has applied for an extension of terms of 12 months for LLA-47 under the provisions of Agreement 002/2020 (*Acuerdo 002/2020*) of the ANH. In response to Interoil submission, the ANH granted the 12 months extension for LLA-47 during August 2020. As a result the new expiration date of the exploration period of LLA-47 is February 7, 2022.

The building of the roads for access to the block has been and is challenging work. The Meta river floods the area and the rainy season creates challenges for construction work. The same roads will be used for trucking the crude in initial stages of the E&P activities. Once the identified production opportunities are significant (economically and technically) to build a pipeline, the Company will be required to seek environmental permits.



6.9.7 Altair block overview

Interoil Colombia is the operator of the Altair block with a 100% working interest. The block is located in the Llanos Basin and is currently producing from one single well, Altair-1.

Interoil has combined phase 1 and phase 2 of the subsequent exploratory program of the licence agreement and is obliged to drill two wells at Altair by January 2019. This deadline was subsequently extended to April 2020. As indicated above, Interoil Colombia applied for an extension of terms of 12 months for Altair. The ANH granted the extension so requested until April 27, 2021.

The Turaco exploration well was successfully drilled in the first half of 2017. The well was completed and tested in the upper section of the C7 formation where oil and water flow was 17 bopd and 131 bopd, respectively. The remaining commitment has an estimated cost of USD 3 million to USD 3.5 million and includes a geological description of 90 feet of core samples taken from wells within the Altair exploration license and stored in the ANH geological laboratory in Bogota.

The current guarantee provision for Altair is in compliance with the ANH requirements.

Building of the road to gain access to the block has been challenging due to the flooding of this area from the Meta river and the rainy seasons. The same roads will be used for transportation of the crude in the initial stages of the E&P activities. Once the identified production opportunities are of a substantive size (economically and technically) to support the construction of a pipeline, the Company will seek environmental permits.

6.9.8 Service contract and gas selling contract

Interoil Colombia operates one service contract on behalf of Hocol for Puli C and Totare in the Middle Magdalena Basin. Pursuant to the contract, Interoil Colombia is responsible for the operations and production of the fields in return for a fixed fee plus a variable fee per barrel produced. As from May, 2020, Interoil Colombia ceased to provide operation and production services for Hocol in the Toqui Toqui fields.

Interoil Colombia has been selling gas produced in Mana and Ambrosia fields under an extended gas selling contract with Turgas. Turgas' treatment facility is located next to the Mana field.

On April 3 2020 Interoil Colombia received a notification from Turgas, the sole gas off-taker for the Mana and Ambrosia fields, that excess pressure was building in some points of main trunk line and that as a result, the access valve for our gas has been closed until pressure returns to safe levels. This forced Interoil Colombia to shut in all producing wells in those fields, affecting not only gas but also oil production. On May 5 2020, Turgas notified Interoil Colobia that they will receive gas since the main trunkline pressure has reached normal operational working pressure. Hence, Interoil Colombia reopened the Mana and Ambrosia Fields and gas is slowly being stream again to Turgas Falicities as it has always been.

6.9.9 Colombia oil & gas production

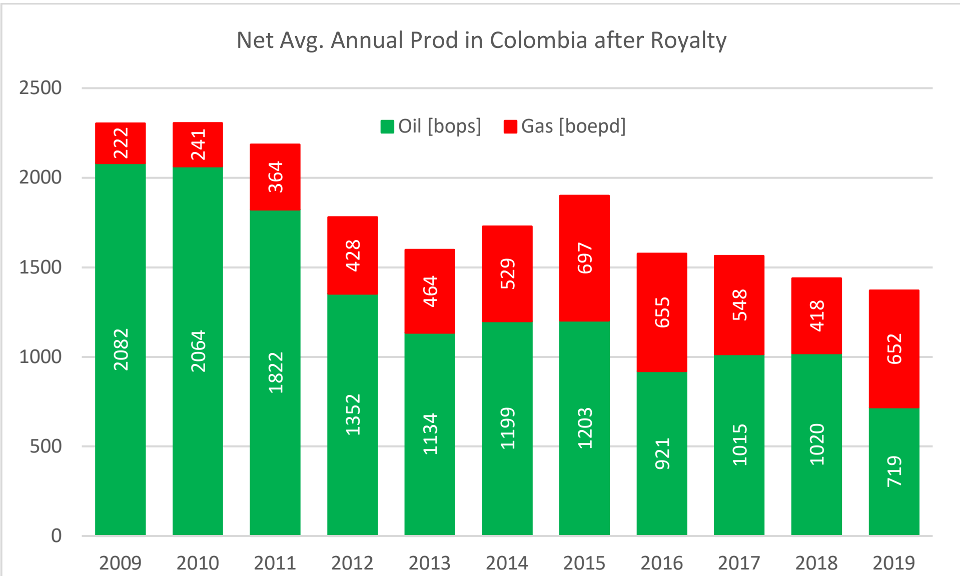
The development in Interoil Colombia's net oil & gas production (after royalties) in 2009-2019 is shown in the first figure below. Since 2016, production has been slowly down at an annual rate of 18 % mainly due tonatural depletion of the producing wells in the fields. During 2019 working interest production of oil and gas reached 1,300 boe/day. Interoil Colombia intends to implement a plan that considers various activities aimed at sustaining and potentially increasing the production level at Puli-C. These activities include perforations and re-perforations, surface pressure restriction reduction and maintenance. In addtion, new wells need to be drilled if the same level of production is to be sustained. As part of this program, in October 2019, Interoil Colombia identified a new potential layer of hydrocarbons in the Rio Opia field. After workover operations in this field, tests in the target formation were positive, adding 20 bopd to the output from the well. This has been an encouraging result for further development of the field.

The Company has a project to install a new gas treatment plant in Mana to take all the rich components (mixture of propane, butane and natural gasoline) leaving dry gas under commercial specification according to the Colombian gas market. During 2019 Interoil Colombia made progress in the design of a BOMT project that combines the installation of a gas treatment plant and a power generation facility which is under consideration by Hocol. Current investment in respect of the gas plant acquisition, transportation and commissioning is USD 2.0 million. Currently, the plant is located in a warehouse in Houston, Texas. In light of an offer for the sale of the plant, Company has recently approved the sale of the plant for the amount of USD 2 million.

The Company is currently implementing measures to meet the requirements for an upgrade of the environmental license incorporating the gas treatment facilities but is unable to accurately estimate how long this process may take.

Furthermore, the Company is in advanced conversations to extend the contract with Turgas until December 2019 on the same conditions The Company shall evaluate alternatives to the project with the view of maximizing efficiencies and synergies.

In the second figure below, net production (before royalties) is shown for oil and gas from 2009 to 2019.



6.10 Argentina overview

During 2019 and 2020 the Company carried out a series of acquisitions in Argentina, starting in mid 2019 with one block in the northern Province of Jujuy and two in the southern Province of Chubut, followed by the acquisition of five exploitation concessions in the Province of Santa Cruz in January 2020. These acquisitions confirm that Argentina is a key target market for the Group and the Company.

The Company acquired the participating interests in the areas located in Jujuy and Chubut through the purchase of the shares of Oil Investment Inc. The acquisitions of the concessions in Santa Cruz was made by Interoil Argentina S.A., an Argentinean subsidiary of the Company, through an asset purchase transaction of a minority participation to Roch S.A., an Argentinean company who served as operator of all of the acquired concessions.

The following chart set out information on the blocks acquired by the Company intends to commence operations in Argentina through the acquisition of a majority interest in a joint venture agreement (*unión transitoria*) set up for the exploration, development and exploitation of La Brea, a field located in the Province of Jujuy in the northwest basin in Argentina.

Block	Operator	Gross acres	Interoil WI	Expiration date	Oil royalty
Production					
Mata Magallanes Oeste	Selva Maria Oil[1)]	11,930.25	80%	Apr. 2043	12%
La Brea	Selva Maria Oil[1)]	27,831	80%	Feb. 2042	12%
Campo Bremen	Selva Maria Oil[1)]	169,648	8.34%	Apr. 2026	15%
Chorrillos	Selva Maria Oil[1)]	159,877	8.34%	Apr. 2026	15%
Océano	Selva Maria Oil[1)]	26,628	8.34%	Aug. 2026	15%
Moy Aike	Selva Maria Oil[1)]	176,435	8.34%	Apr. 2026	15%
Palermo Aike	Selva Maria Oil[1)]	132,807	8.34%	Apr. 2026	15%
Exploration					
Cañadón Ramirez	Selva Maria Oil[1)]	81,930,26	80%	Apr. 2024	12%

Notes: 1) Until Interoil is registered and accepted as an operator by Argentinean Authorities.

The concession system in Argentina

A concession system is operated in Argentina for areas that are to be used for exploration and production. Concessions are managed by the different provinces where the areas are located and while there are local differences, the basic terms of each concession are substantially the same. Non-exploited blocks are put on tender by the respective provinces, offering five year period contracts for exploration and 25 year period contracts for conventional exploitation following a commerciality declaration. Exploitation contracts for unconventional resources are offered for a 35 year period.

At the end of a contractual period, operator companies have the right to extend the contract indefinitely by ten year periods, subject to renegotiating royalty, investment commitments and bonuses. Provinces can increase royalties on the concession contracts by 3 per cent for each extension up to a maximum of 18 per cent.

Revenues from concession contracts are subject to three fiscal charges. Royalties range from 12 per cent to 18 per cent, depending on the contract and a further sales tax, called the "IIBB", that varies amongst provinces and is in the range of 2.5 per cent to 3.5 per cent. Corporate net profits are then taxed at a Federal tax rate of 35 per cent, although both royalties and provincial taxes are deductible as an expense in the Federal tax assessment.

Argentina Environmental and legal conditions

Generally, exploration licenses in Argentina are awarded through open bid rounds where interested parties bid based on a combination of investment commitments and royalty rates. To be awarded a license, local provincial government approval is required. Such approval is dependent on, amongst other things, current track record and guarantees for parts of the investment commitments. Following government approval, companies are required to obtain an environmental and landowners permit in order to execute the committed activities. Permission for the environmental and social aspects must be sought from two ministers, the Minister of Environment and Sustainable Development and the Minister of Productive Development, through the Secretariat of Energy respectively.

On the other hand, it should be noted that the Argentine legal regime regarding the granting of exploration permits and concessions for the exploitation of hydrocarbons, results from the regulatory plexus of national and provincial regulations in force at the time of granting. In the case of Argentina, according to art. 124 of the National Constitution, the domain of the existing natural resources in a territory corresponds to each province. That is to say, the provinces have the domain of the gas and oil deposits existing in their territory.

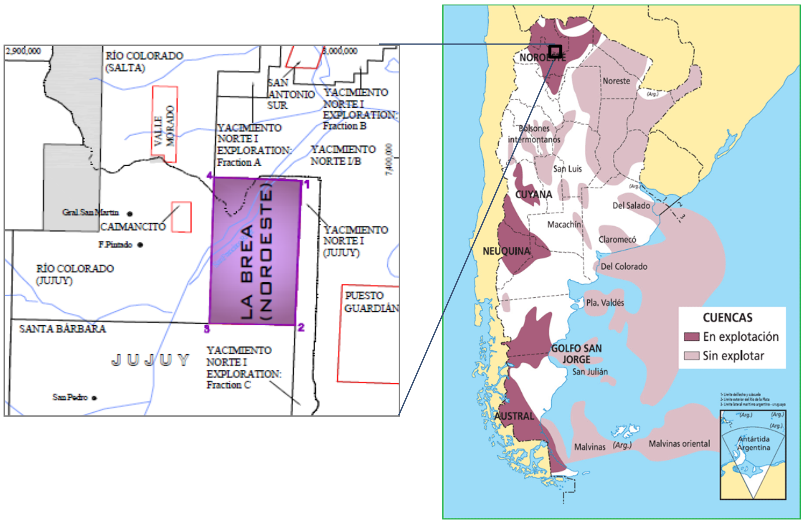
In order for a company to be an E&P operator, a company is required to prove that it has the technical capacity to operate by means of their resources or through third party support. The company has to have constant interaction with 1) Provincial Oil Companies or relevant Hydrocarbons Entities, for issues relating to management of contracts and licenses (JEMSE and Petrominera S.E in the case of the Provinces of Jujuy and Chubut, respectively, and the IESC, Instituto de Energía de Santa Cruz, in the case of the Province of Santa Cruz); 2) The National Energy Secretariat (Secretaría de Energía de la Nación), for issues relating to permits; 3) Provincial Hydrocarbon’s Ministry, for issues relating to exploration and production activities and management of contracts; 4) Provincial Ministry of Environment, for issues relating to environmental permits; and 5) Police, for issues relating to security.

A license or contract can be terminated if (a) the operator does not perform the activities committed to in the contract (b) the operator is in financial distress or bankruptcy or (c) other commitments are not fulfilled. Concessions may also be assigned in transfer subject to the approval of the provincial executive.

At Mata Magallanes Oeste and Cañadón Ramírez, most of the facilities equipment are owned by the joint venture, as well as in the case of the Santa Cruz concessions. This includes, tanks, pipelines, compresors, trucks and production related equipment. Rented equipment is mainly related to equipment that is occasionally required for shorter periods of time.

At the beginning of the concession, operators must first conduct an EIA (environmental impact assessment). Following completion of the EIA, the environmental authority may require a remediation programme. An annual environmental update report is required by most provinces.

6.10.1 The La Brea field



The La Brea field has an extension of 112.6 km^2 – equivalent to 27,824 acres, of which just 297 acres were previously in production. There are 11 WELLS on the field, drilled[10] decades ago by YPF, of which five accumulated 30ºAPI oil production with minor quantities of associated natural gas[11]. The targeted producing reservoir is the Yacoraite formation, which lies at 2,000 meters – 6,560 ft. with two exploration wells drilled in sectors of the field where Yacoraite lies deeper. The field is located 130 km from San Salvador de Jujuy, the provincial capital and 140 km from Refinor's closest refinery through paved roads allowing for oil trucking.

The La Brea field was awarded to private sector companies under a concession scheme by the Federal Government of Argentina prior to the 2007 amendment to the Argentine Hydrocarbons law by the so-called "Short Law" whereby ownership of the hydrocarbons fields located in provincial territory was vested upon the provinces where such fields are located. Since 2007 and following the enactment of the Short Law, the Governor of the Province of Jujuy approved the transfer of the concession awarded over La Brea.

On 24 October 2014, the concession holder of La Brea at that time filed its resignation of the concession over the La Brea field with the Provincial authority of Jujuy. In accordance with section 81 of the Argentine Hydrocarbons Law, the aforementioned resignation by the concession holder extinguished the concession awarded over the field.

The field was then transferred to Jujuy Energía y Minería Sociedad del Estado ("**JEMSE**"), the Province of Jujuy state-owned energy and mining company that is the instrumentality of the Province of Jujuy in the oil, gas and mining sectors. The La Brea field was transferred to JEMSE in accordance with Provincial Decree

[10] Los Berros 1, La Brea Este 1, Laguna La Brea 1, Jujuy Estructural 1, Jujuy Brea 9, Jujuy Brea 7, Jujuy Brea 3, Jujuy Brea 1, El Oculto x-1001, El Oculto x-2, El Oculto x-1.

[11] Gas-to-Oil ratio at 285 m^3oil/m^3gas

No. 327/2012 dated 5 March 2012, whereby all hydrocarbon fields reverted to the Province of Jujuy by holders of concessions (reserved for JEMSE, amongst others). Since this time, JEMSE has been vested with the right to explore, develop and exploit the La Brea field.

The La Brea joint venture agreement

On 24 February 2017, JEMSE entered into a joint venture agreement (*unión transitoria*) with Selva María Oil S.A. ("**SMO**") and ATM Oil and Gas S.A. ("**ATM**") for the exploration, development, exploitation, transportation, disposition and sale of hydrocarbons located in the La Brea field (the "**La Brea UT Agreement**"). Both SMO and ATM are *sociedades anónimas* (corporations) organized and existing under Argentine law.

The execution of the La Brea UT Agreement was ratified by the Ministry of Economic Development and Production of the Province of Jujuy by means of Resolution No. 140-DEyP/17, dated 26 May 2017. Furthermore, the La Brea UT Agreement was approved by Decree of the Governor of the Province of Jujuy No. 6482/18 dated 23 April 2018 pursuant to the provisions of Section 98, g of the Argentine Hydrocarbons Law No. 17319, as amended. Section 98, g) of the Argentine Hydrocarbons Law grants to the Executive Branch the power to approve agreements entered into between government- owned companies and third parties for the exploitation of the fields reserved to the former entities.

Pursuant to the La Brea UT Agreement, JEMSE is required to make the La Brea field available to the joint venture for its exploration, development and exploitation as well as to facilitate, amongst other things, the exercise of transport rights and rights of way.

SMO and ATM are, pursuant to the La Brea UT Agreement, required to present a work and investment plan and to conduct the investments contemplated in such work and investment plan. Following commercial declaration of the field and the initiation of the commercial exploitation, but after recovery of 100% of the investments made in the La Brea field and pursuant to the work and investment plan, SMO and ATM must pay JEMSE, on a monthly basis, a 6% cash royalty on the production of liquid hydrocarbons calculated at the wellhead price. In addition, following commercial declaration and the start of commercial exploitation of the field, the parties to the La Brea UT Agreement are required to pay the Hydrocarbons Law royalty of 12% of the production value calculated at the wellhead price, on a monthly basis, to the Provincial Government of Jujuy. SMO and ATM have also committed to put the well, La Brea Este x-1, to production provided its technical condition enables this at the time of having access to the La Brea field.

On the expiration of the La Brea UT Agreement, SMO and ATM are required to transfer to JEMSE all wells located on the La Brea field together with all equipment and facilities, constructions and works, either movable or fixed, permanently incorporated on the La Brea field, in addition to all exploration studies, at no cost.

JEMSE holds a 5% participating interest in the joint venture (such participating interest being in addition to the 6% royalty referred to above), SMO holds a 15% participating interest in the joint venture and the remaining 80% participating interest in the joint venture was held by ATM and then acquired by Interoil, who will become the operator once the approval from local regulators is granted. Notwithstanding its participating interest, JEMSE is exempt from advancing funds for the exploration of the field. As a result, all exploration and development costs must be borne by SMO and Interoil, in proportion to their participating interests. Once production of the exploitation phase commences, the portion of such costs that should have been contributed by JEMSE will be deducted from JEMSE's share of the production until the funds invested in the exploration phase by SMO and Interoil are fully recovered. Thereafter, the production from the field will be allocated to the parties in accordance with their respective participating interests.

Pursuant to the La Brea UT Agreement, SMO and Interoil will acquire ownership of the production at the La Brea field in accordance with their respective participating interests. If SMO and/or Interoil opt/s to receive their production share in kind by giving notice to that effect at least two months in advance, the operator of the La Brea field shall be entitled to dispose and to sell all the production on the La Brea field on behalf of SMO and ATM. In such case, the proceeds from the sale will first be applied to pay the operating costs for the La Brea field accrued during the relevant period of hydrocarbons production.

The La Brea UT Agreement provides that neither SMO nor Interoil will be held responsible for, or be required to remediate, any environmental liability in respect of the La Brea field that arose at, or prior to, the time of the transfer of possession of the La Brea field to SMO and ATM.

The La Brea UT Agreement will remain in force for a period of 25 years from its execution date, i.e. until 24 February 2042, date on which the licence expires.

Pursuant to the La Brea UT Agreement, SMO was appointed as operator of the La Brea field and is the representative of the La Brea joint venture in respect of third parties. In addition to the payment of royalties, the operator of the La Brea field also is required to pay the relevant surface fee with a charge on the common accounts to the Provincial Government. SMO will remain as operator until Interoil is granted the operator's licence from local regulators. In the meantime, SMO will act as operator and execute Interoil's directives.

The operator is required to prepare all relevant accounts and make all relevant calculations and pay to SMO and Interoil their relevant share of the profits from the joint venture (oil sales) on a quarterly basis and on a monthly basis in the case of JEMSE.

The La Brea UT Agreement provides that SMO and ATM are entitled to assign, in whole or in part, their rights pursuant to the La Brea UT Agreement with the prior written consent of JEMSE, which consent shall not be required if an assignment is to an affiliate or partner of the assignor.

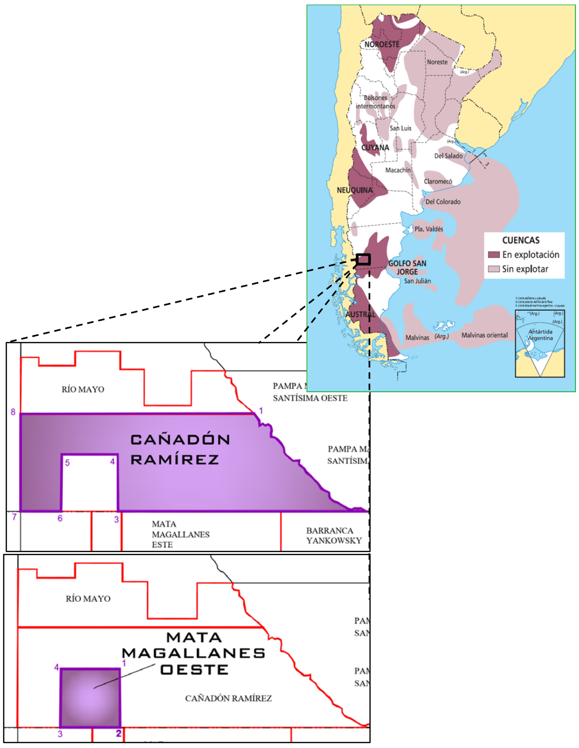
La Brea field holds 150 thousand barrels of certified proved reserves[12] and currently there is no production in the field.

Contractual commitments – La Brea field

Pursuant to the La Brea UT Agreement, the contract was awarded subject to the obligation to perform one well work over. This obligation will be transferred to Interoil together with the participation in the La Brea UT agreement.

[12] Certified proven reserves audited by the independent expert Francisco Gulisano.

6.10.2 *The Mata Magallanes Oeste – Cañadón Ramírez Fields*



Mata Magallanes Oeste is an oil and gas exploitation concession located at the Western Flank of the prolific Golfo de San Jorge basin in Argentina. The closest town to the field is Rio Mayo, 42 km away through a gravel road while the provincial capital is 300 km from the field. The closest delivery point is located 140 km from the field through gravel and paved roads suitable for oil trucks. The field was discovered by YPF in 1972 within its exploration campaign to assess the potential of the western flank of the basin.

Royalties are applicable on oil and gas production in Argentina, and these royalties range from 12.0 to 15.0% on gross revenues derived from actual oil and gas production. Under the terms of the concessions, the applicable royalties to be paid to the province of Chubut is 12%.

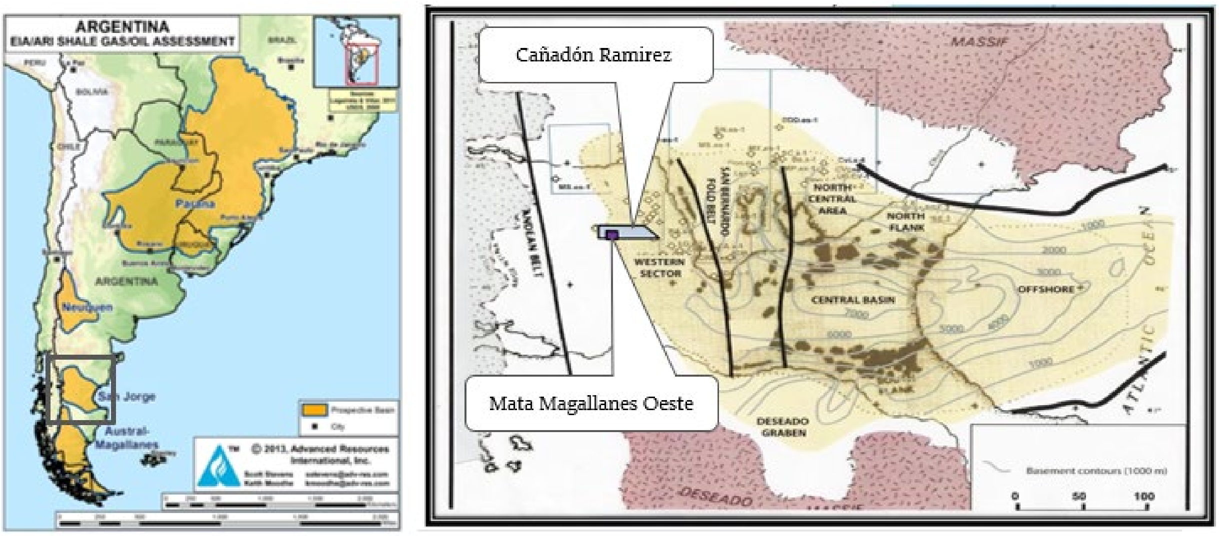
The Mata Magallanes Oeste, concession has recently been awarded until April 2043 and the Cañadón Ramirez concession runs until April 2024.

Pursuant to the Mata Magallanes Oeste UT Agreement, the contract was awarded subject to the obligation to perform twelve well work-over, two new wells and convert 5 wells into water injectors, the first work-over is scheduled for July/August this year depending on equipment availability.

Pursuant to the Cañadón Ramirez UT Agreement, the contract was awarded subject to the obligation to perform 20,000 samples of geochemistry (15,000 samples are under analysis) and the reprocessing of the 3D seismic.

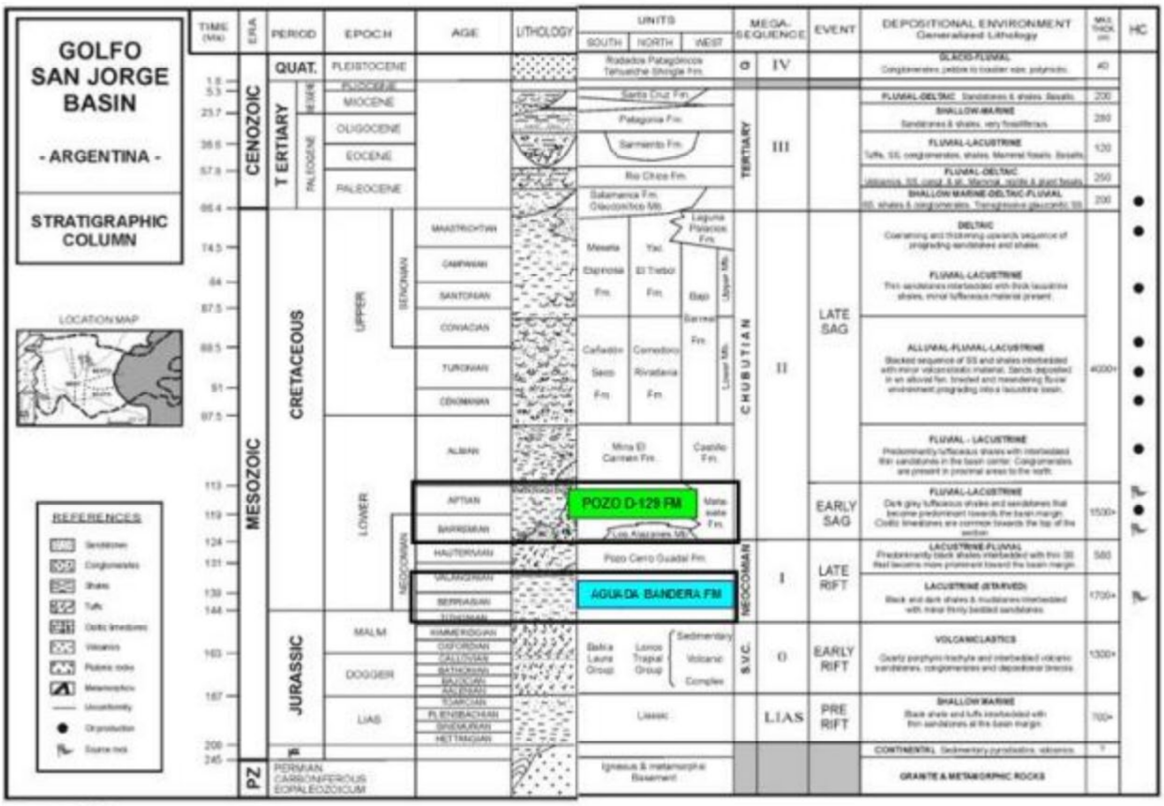
The Mata Magallanes Oeste block holds approximately 500 thousand barrels of certified proved reserves.[13] The block is currently producing 19 bopd and there is no production or certified reserves in the Cañadón Ramírez block.

[13] Certified proven reserves, audited by the independent expert Francisco Gulisano



The maps above highlight the Golfo San Jorge basins and its subsection

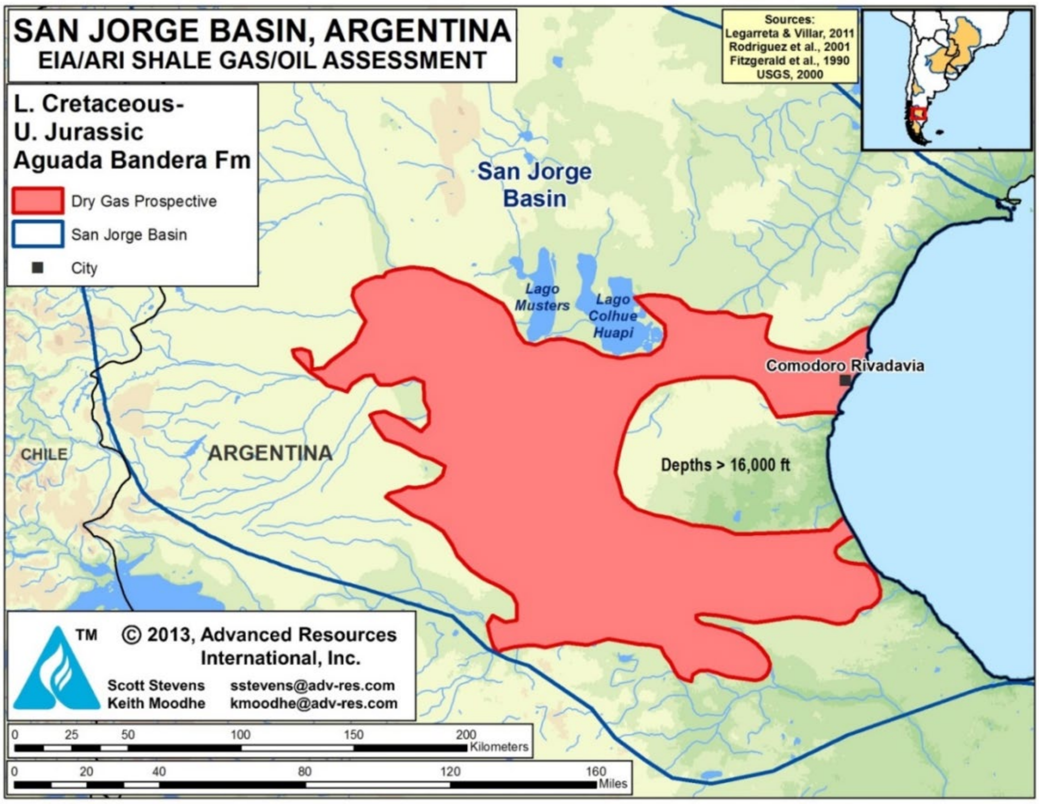
Golfo San Jorge has good unconventional potential in the Cretaceous shales play located in central Patagonia with 67,000-mi^2 accounting for about one-quarter of Argentina’s conventional oil and gas production. The San Jorge Basin extends across the width of southern Argentina, from the Andean foothills on the west to the offshore Atlantic continental shelf in the east. Excluding its small offshore extent, the onshore Golfo San Jorge Basin covers approximately 46,000 mi^2. The basin is bordered by the Deseado Graben and Massif to the south, by the Somuncura Massif to the north, and the Andes Mountains in the west. Compressional structures of the San Bernardo Fold Belt transect the west-central region. Extensional faults are widespread in the northeastern and southern flanks, while the northwestern edge of the basin is less faulted. The region subsided by the end of the Jurassic and extensive, mainly lacustrine deposits formed, including the thick black shale and mudstone source rocks of the Neocomian Aguada Bandera and Mata Siete Formations.



The table above highlight Aguada Bandera and Mata Siete formations in the Golfo San Jorge stratigraphic column

Aguada Bandera Shale. This formation comprises fine gray sandstones that grade upward into a tuffaceous matrix, with black shales and mudstones increasing towards its base. Much of the formation is lacustrine in origin, although foraminifera found in western areas suggest possible marine sources in particular beds.26 Towards the north, other biota indicative of an outer marine platform depositional environment. The Aguada Bandera Formation is a heterogeneous unit comprising shale, sandstone, and occasional limestone. Total formation thickness varies widely, from more than 15,000 ft thick in the southwest to 2,000 ft thick about 60 miles offshore in the east. A similar thickness variation also is seen in the west. The Aguada Bandara Formation generally has high-quality organic shale. Only two available wells have TOC and Ro data, both located in the basin's western area. Average TOC ranged from 1.44% to 3.01% at depths of 12,160 ft and 11,440 ft, respectively. Petroleum basin modeling indicates that the minimum gas generation threshold (Ro =
1.0 to 1.3%) is typically achieved across the basin at depths below about 6,600 ft. Thus, the Aguada Bandera Formation appears to be mature for gas generation across most of the basin. The Aguada Bandera Shale covers approximately 8,380 mi^2 of the onshore Golfo San Jorge Basin.

Technically recoverable shale gas resources for the Aguada Bandera Formation in the Golfo San Jorge Basin are estimated at 51 Tcf of natural gas. The play has a high net average resource concentration of 152 Bcf/mi^2

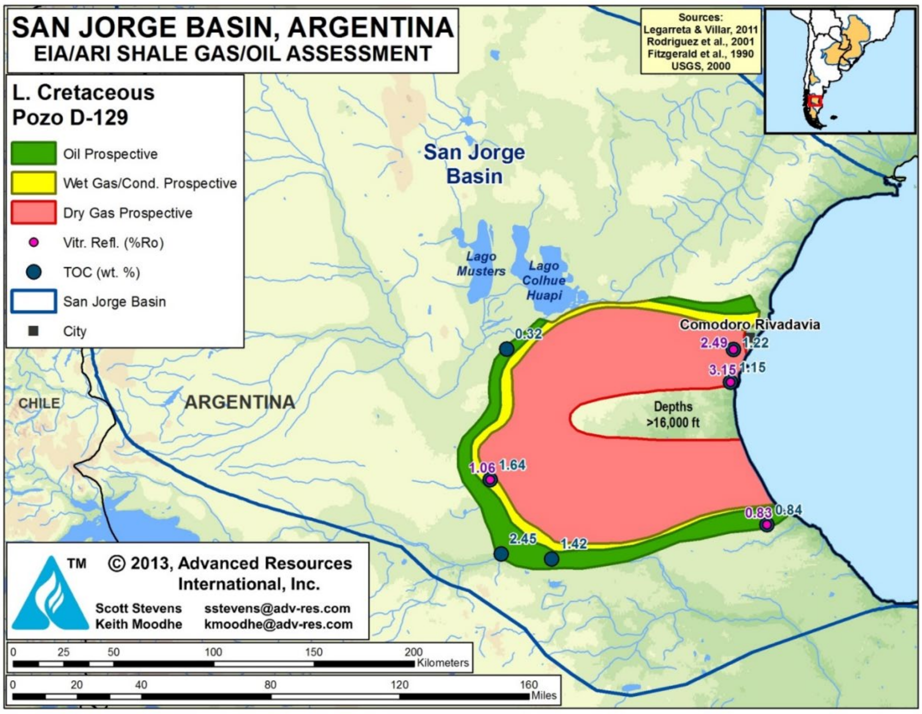


The maps above highlight Aguada Bandera dry gas window in the Golfo San Jorge basins

D-129 Shale. The Early Cretaceous D-129 Formation comprises a wide range of lithologies, with the deep lacustrine sediments - organic black shales and mudstones – considered most prospective for hydrocarbon generation. The D-129 Shale is consistently thicker than 3,000 ft in the central basin, with local maxima exceeding 4,500 ft thick. Along the northern flank the interval is typically 1,000 to 2,000 ft thick. A locally thick deposit occurs in the western part of the basin but thins rapidly from about 1,000 ft thick to absent.

Available data indicates organic richness in the southwest, 1.42% to 2.45% TOC, with a corresponding early gas maturity of 1.06% Ro. In the north-central region a low 0.32% TOC was recorded, with slightly higher 0.5% Ro near Lago Colhue HUAPI.31 Towards the basin center in the east, organic carbon (TOC) rises to around 1.22%. The thermal maturity in this deep setting is correspondingly high, 2.49 to 3.15% Ro. In the south, thermal maturity drops to oil-prone levels, 0.83% Ro with a measured TOC here of about 0.84%, excluding this area from the resource assessment.

The D-129 Formation has technically recoverable shale resources estimated at 35 Tcf of shale gas and 0.5 billion barrels of shale oil and condensate. The D-129 has moderate to high net resource concentrations of 41 to 163 Bcf/mi2 of shale gas and 20 to 64 million bbl/mi2 of shale oil and condensate, depending on the thermal maturity window.



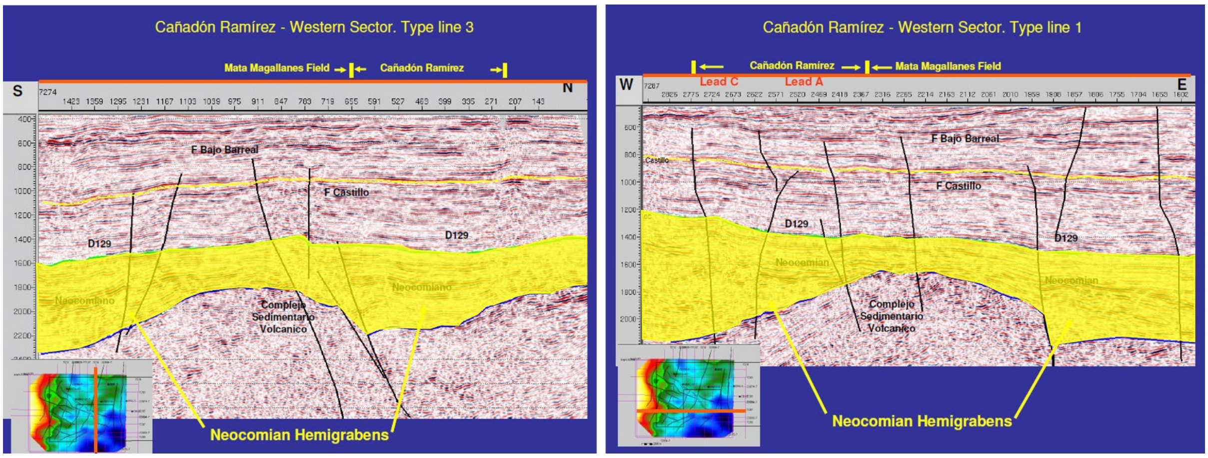
The maps above highlight Mata Siete dry gas to oil window in the Golfo San Jorge basins

The concession is located at the Southwest of the province of Chubut at the western section of the Golfo de San Jorge basin. The concession has 48.28 km2 – equivalent to 11,930 acres -, with one oil production field.

The basin has been in active exploration and production phase since early in the 20th century. It is still the largest oil producing basin in Argentina, averaging It comprises three main sectors with different qualities of oil: Northern Flank at the province of Chubut, Southern Flank at the north of the province of Santa Cruz, and so-called Western Flank at the west of both the province of Chubut and Santa Cruz.

The western sector of the Golfo de San Jorge basin was initially explored through several wells in the 1970S by former state-owned company YPF. Several oil discoveries were made at this sub-basin, none of which became commercial at the time. However, development of several oilfields took place in past decades when oil prices are high enough and cost structure are kept under control, allowing for profitable drilling and investment.

The main source rock in this section of the basin are Anticlinal Aguada Bandera and D-129 or Mata Siete formation source rocks with high organic content, formed by continental sediments deposited in a lacustrine environment.



The maps above highlight D-129 formation presence all across Cañadón Ramirez and Mata Magallanes Oeste blocks in the Golfo San Jorge basins

Mata Magallanes Oeste and Canadon Ramirez blocks contain lacustrine shale source rocks of both Aguada Bandera and Mata Siete (D-129) formations, these unconventional plays have not been tested yet; nevertheless, they are very prospective, primarily shale gas in a structurally simple setting.

6.10.3 *The Santa Cruz Concessions*

Background

On 11 January 2020 the Company acquired through its Argentine subsidiary, Interoil Argentina S.A. (“**Interoil Argentina**”), an 8.34 per cent participating interest in five mature producing exploitation concessions in Argentina for a total consideration of USD 1 million (the **"Acquisition"**), payable in new Interoil Shares.

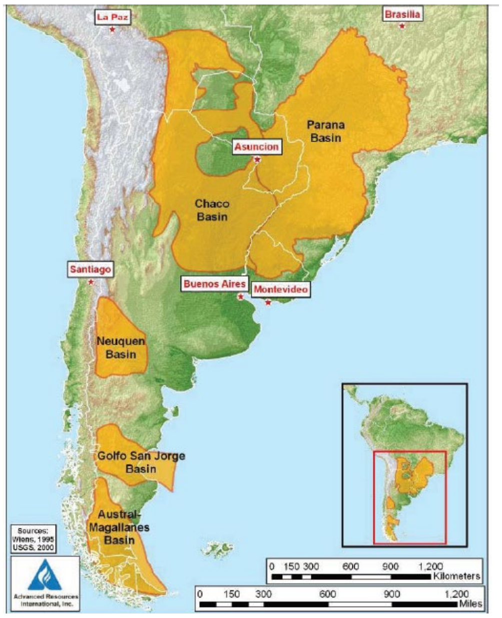
These concessions (the “**Santa Cruz Sur Assets**”) are located onshore in the heart of the Austral Basin in southern Argentina. This is a highly prolific area with well-developed oil and gas infrastructure. The total operated production of these concessions amounts to around 3,000 boepd (25% is oil) and 2P reserves to exceed 6 million barrels of oil equivalents (Mmboe), with significant exploration potential upside. Interoil holds an 8.34 percent working interest in these licenses in a joint venture with subsidiaries of Echo plc, a company listed in the London Stock Exchange AIM, that a few weeks before Interoil, and in a separate transaction, had acquired a 70 per cent interest in the Santa Cruz Assets from Phoenix Global Resources, and IOG Resources S.A., a subsidiary of Integra Oil & Gas which acquired 21.66 per cent from Roch.

The Santa Cruz Assets consist of 12 oil and gas fields with significant production from Upper Jurassic Tobifera and Lower Cretaceous Springhill. Altogether the concessions cover an area of more than half a million acres, of which over 50,000 acres are considered exploitation areas with contract periods running throughout to April 2026 (Océano until August 2026). They were discovered and developed by YPF approximately 45 years ago.

Interoil Argentina will become the operator in all these concessions once approved by local regulators. In the meantime, SMO will operate the licences following Interoil’s instructions.

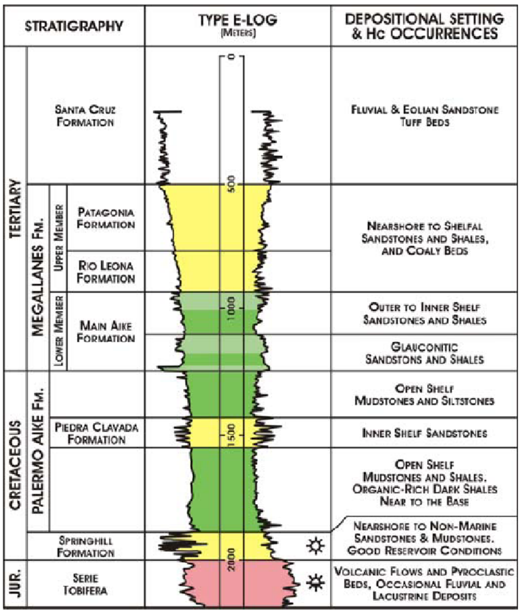
The Santa Cruz Assets

Geographically the basin where the Santa Cruz Assets are located lies within the Santa Cruz province in the Southern mainland part of Argentina, bounded by the Andes mountains to the west, which also wrap around to the southwest and south to limit the basin where it extends to cover Tierra del Fuego province as well.

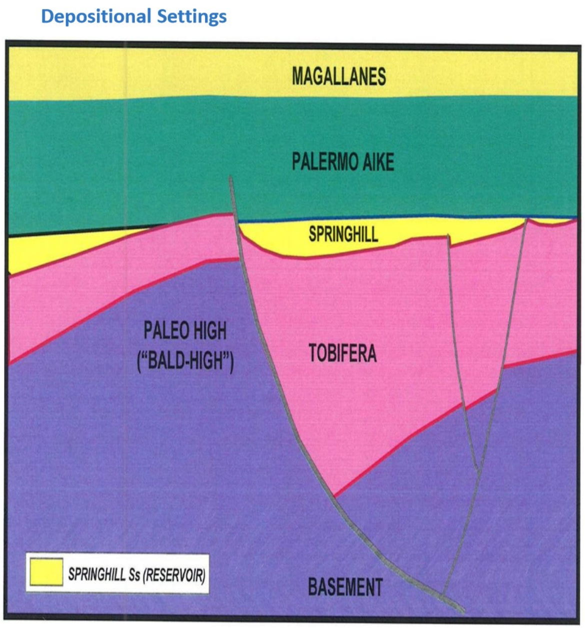


The Austral Basin began with rifting in the mid-to late-Jurassic period, with the main sediments grading over time from river and estuarine systems to coastal, shallow marine and then an open marine environment. Volcanic activity took place through the depositional period.

Stratigraphy



The main formations of interest are the early Cretaceous Tobifera and Springhill formations which comprises interbedded fluvial and marine sandstone with fair to excellent reservoir characteristics. Traps are structural, stratigraphic or combined.



Source Rock

Upper Jurassic-Lower Cretaceous anoxic mudstone intercalations in the Springhill Formation and the contemporaneous Lower Inoceramus Formation are the most important source rocks. Of lesser importance are strata with favrella (Estratos con Favrella) and shale or mudstone ftanitas (Lutitas con Ftanitas), which are open marine environment correlatives of the Springhill Formation further west. The Lower Inoceramus Formation is interbedded with or in close association with the sandstone reservoirs of the Springhill Formation, which act as both carrier beds and reservoir.

The quality is variable, but may be excellent, especially in the mudstone interbeds within the Springhill Formation and in the Lower Inoceramus Formation (Total Organic Carbon (TOC) up to 5%). The thickness may be up to 1,000 m.

The degree of maturity of the source rock is crucial: it is estimated that, at the present day, there is a zone about 30 km wide, which parallels the Andes and is within the oil generation window (based on vitrinite reflectance measurements). Oil generation and migration began during the Tertiary and gas is at present being generated in a belt further west, where the base of the Cretaceous is buried to up to 8,000 m. The gravity of the oil ranges from 26 deg to 60 deg API.

Reservoir

1) Basement Reservoir

Fractured basement, probably Precambrian and Paleozoic metamorphics, provides one of the reservoirs in Sombrero Este. Little is known about reservoir characteristics.

2) Jurassic Reservoir

Minor reservoirs are provided by Tobifera Formation tuffs, mainly in fracture porosity.

3) Upper Jurassic-Lower Cretaceous Reservoir

The Springhill Formation (Upper Jurassic-Lower Cretaceous) is the only significant reservoir for all fields so far discovered on the platform. All the sandstones are derived from the Dungeness High. The area in which the sandstone occurs is limited to a belt up to 200 km wide, paralleling the orientation of the Dungeness High.

The facies varies from deltaic to beach sandstones, with thicknesses ranging from a few centimetres to 100 m. but generally less than 4 m. Net thickness tends to increase towards the Dungeness High in the east, from 10-20 m. net to 40 m. net in the offshore (eg Aries). Porosities are normally about 20%, but may range up to 30%. Permeabilities are generally between 15 mD and 300 mD, very occasionally up to 6,000 mD. The reservoir quality and extent are extremely patchy and it is significant that a high proportion of wells drilled as development wells do not produce because they failed to penetrate the reservoir sandstone.

4) Lower Cretaceous Reservoir

The Strata with Favrella (Estratos con Favrella) reservoir is in fractured mudstone, only found in Mata Negra and Nika Oeste 1. The mudstones are lateral equivalents of the Springhill Formation. Production is entirely from fractures, probably related to underlying fault zones.

5) Upper Cretaceous Reservoir

The Margas Verdes reservoir is in fractured mudstone, only found in Ciclon 1. This reservoir generally overlies the Springhill Formation. Hydrocarbons probably occur frequently in this unit, but only in small amounts, which could not be produced without existing production from the Springhill.

6) Tertiary Reservoir

Tertiary reservoirs at several levels are present near the Andean front.

The most important reservoirs are in the Oligocene-Lower Miocene Loreto and Magallanes Inferior formations, marine sandstones (Campo Boleadores, Esperanza, La Esperanza, Puesto Peter, Tranquilo). The sandstones are thin but of reasonable quality.

Other reservoirs are present throughout the Tertiary, for example, Eocene or Oligocene in Corey. Upper Eocene-Miocene sandstones in Manzano and Manzano-3, Upper Eocene sandstone (Tres Brazos Formation) in Mina Rica 2A, Miocene sandstone (El Salto Formation) in Dorado Sur and undifferentiated Tertiary sandstone in Punta del Cerro. Because of the predominantly molasse environment, most sandstones have limited lateral extent.

Seals

There is no regional seal, but the Upper Jurassic-Lower Cretaceous section is shaley and all reservoirs are sealed locally by interbedded mudstones, and by mudstones of the Lower Inoceramus Formation. Tertiary reservoirs are sealed by mudstones of the predominantly argillaceous Tertiary section.

Structure

There are three generations of structures:

1) Syn-Rift Structures – "Early-Middle Jurassic".
This episode consists of graben formation during the deposition of the Early Jurassic graben fill and subsequent volcanic Tobifera Formation. Its structures influence development of all of the Foreland.
Dominant deformation: East-west extension in northern part of basin, and north-south extension in southern part of basin.
Dominant transport expression: Dip-slip movement, tilting, rotation of fault blocks.
Principal structures: Tilted fault blocks and horsts, mainly in the east and northeast of the basin, close to the Dungeness High.

2) Post-Rift Structures – "Late Jurassic-Late Cretaceous".
Structures in this episode are all influenced by the basin framework formed during the previous episode.
Dominant deformation: Sag, associated with deposition of several thousands of metres of sediments shed from the Dungeness High in the southwest part of the basin (foreland).
Dominant transport expression: Dip-slip towards west and south, minor east-west extensional movement. Minor reactivation of normal faults.
Principal structures: Drape structures over syn-rift fault blocks, minor reactivated fault blocks. These structures contain 99% of the reserves in the basin: the largest is Posesion/Condor.

3) <u>Andean Structures - Tertiary.</u>
Uplift and thrusting towards the east of the southern Argentinean Andes caused the development of a narrow fold belt.
Dominant deformation: East-west compression in the north and north-south compression in the south (entirely in the Andean foothills area).
Dominant transport expression: Thrusting originating from the west and south and related to Andean movements.
Principal structures: Overthrust anticlines, asymmetrical towards the east and north. The largest field in such a structure is Campo Boleadores.

Generation and Migration

At present, there is a large area in the central part of the basin where the Lower Inoceramus Formation and its equivalents are within the oil and gas generation windows. Generation and migration began from west to east in the Tertiary, first for oil, then gas. Timing depended on thickness of Tertiary molasse deposited. It should be noted that, because the Springhill Formation sandstone was deposited only in the eastern part of the basin, the easiest route for primary migration was in that direction. At the present day, only the onshore Springhill producing area and the immediate offshore to the northeast are within the source rock oil window. This implies that hydrocarbons have migrated up to 200 km into structures offshore towards the Dungeness High and in the northern onshore area.

Migration began during the deposition of Tertiary molasse and it continues today, though the main generation is now of gas (the source rocks are buried to up to 8,000 m in the central part of the basin). The basin today has about three times as much gas reserves as oil reserves, though the major source rocks are marine and oil-prone. It is likely that gas has displaced oil in some structures.

Hydrocarbon occurrences in the various Tertiary accumulations in the Foothills probably result from vertical migration from mature Lower Cretaceous source rocks. These discoveries are predominantly gas, which may indicate that, because of differential diffusion the gas has been able to reach the structures first. Also, at present, gas is being generated.

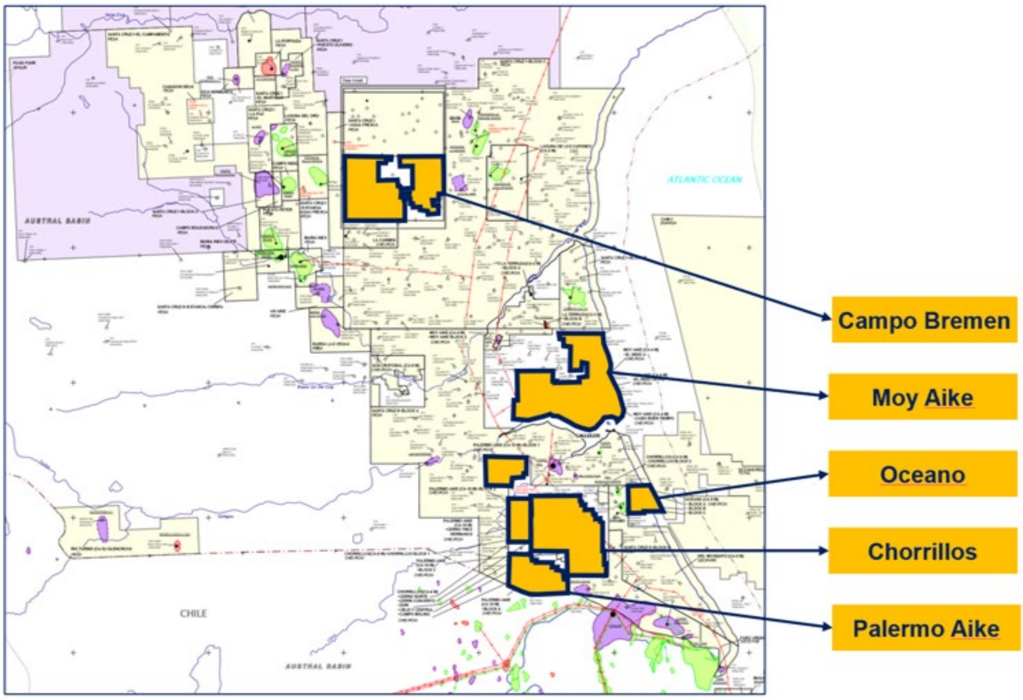
There is little water salinity data available. Recorded values lie between 13,000 ppm and 19,000 ppm. These low salinities are perhaps the result of flushing originating from the Andes by very tortuous routes.

Reserves and Production

In the portion of the basin within the Santa Cruz province Interoil holds operatorships and 8.34% working interest in 13 producing fields, where there are 42 total oil wells and 30 gas wells located in five exploitation concession contracts:

- <u>Campo Bremen</u>: three producing gas fields: Campo Bremen, Estancia Dos Lagunas and Nortero Noreste
- <u>Chorrillos:</u> seven producing fields: Campo Molino, Tres Colinas Norte and Sur(oil fields) and Cerro Convento, Chorrillos, Cerro Norte and Cerro Norte Oeste (gas fields)
- <u>Océano:</u> one producing field: Océano
- <u>Moy Aike:</u> one producing field: El Gancho Este (Gas Field)
- <u>Palermo Aike:</u> one producing field: El Indio Oeste (oil Field)

As indicated above, the concessions cover an area of more than half a million acres, of which over 50,000 acres are considered exploitation areas with contract periods running thought to April 2026 (Océano until August 2026).



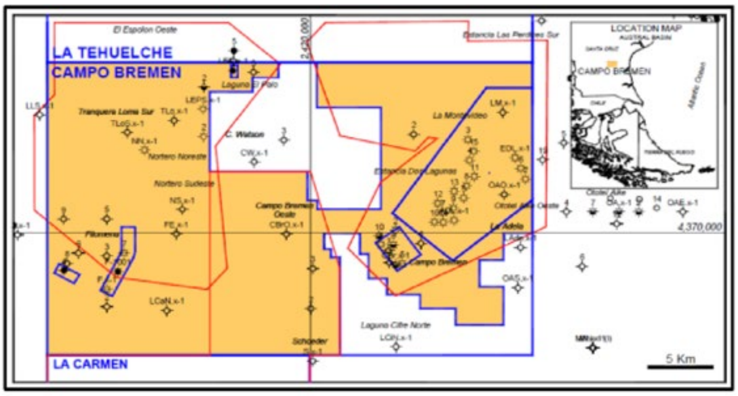
	Gross (100%) Field Volumes			Gross (WI) Company Reserves			Interoil Net Revenues Interest (NRI) Reserves			Fuel Gas (WI)
	Liquids [Mbbl]	Gas [MMcf]	NGL [Mbbl]	Liquids [Mbbl]	Gas [MMcf]	NGL [Mbbl]	Liquids [Mbbl]	Gas [MMcf]	NGL [Mbbl]	Gas [MMcf]
Proved Developed	1,292	30,223	-	108	2,521	-	92	1,825	-	348
Prod Developed None Prod	-	-	-	-	-	-	-	-	-	-
None Prod Underveloped	-	-	-	-	-	-	-	-	-	-
Total Proved	**1,292**	**30,223**	**-**	**108**	**2,521**	**-**	**92**	**1,825**	**-**	**348**
Probable	2,221	65,909	-	185	5,497	-	157	4,102	-	613
Possible	223	1,848	-	19	154	-	92	114	-	18

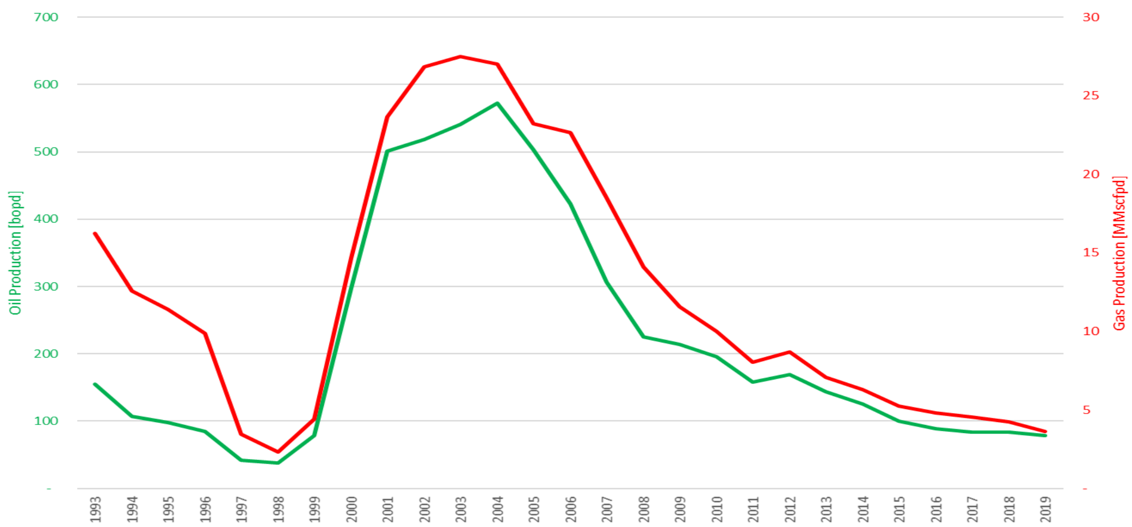
These five concession contracts have their hydrocarbon production coming from the Springhill formation with some wells also flowing from the Tobifera. In particular, the Océano Field has its production flowing mostly from the Tobifera formation and some Palermo Aike with Springhill.

Set forth below is summarized description of key information concerning each of the five concessions, including a map and a production profile of oil and gas for each of such areas.

Campo Bremen

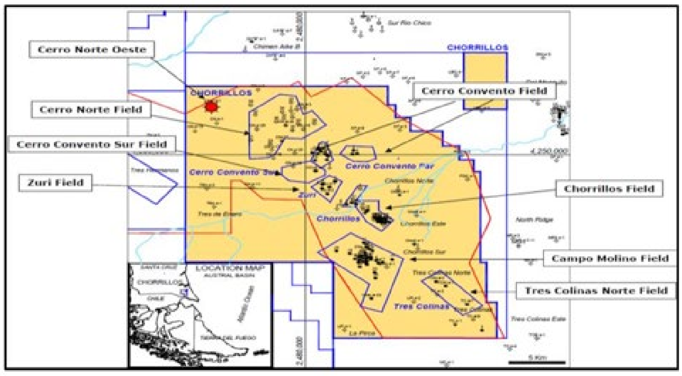
Expiration Date	4/19/2026
Total Acreage	169,648
Location	62 NW from Rio Gallegos
Royalty Rate	15%
Drilled Wells	54-8 producing
Cum Production	Gas 72.1 BCF Oil 2.2 MMbbls Water 5.1 MMbls
Productive Reservoirs	Springhill and Serie Tobifera Formation
Trap	Combined
Seal	Palermo Aike Shales

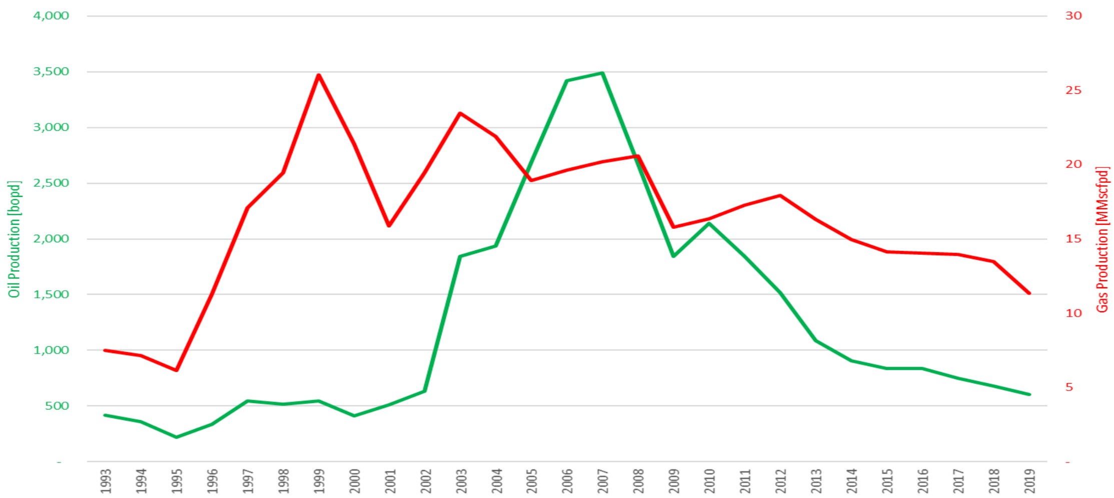




Chorrillos

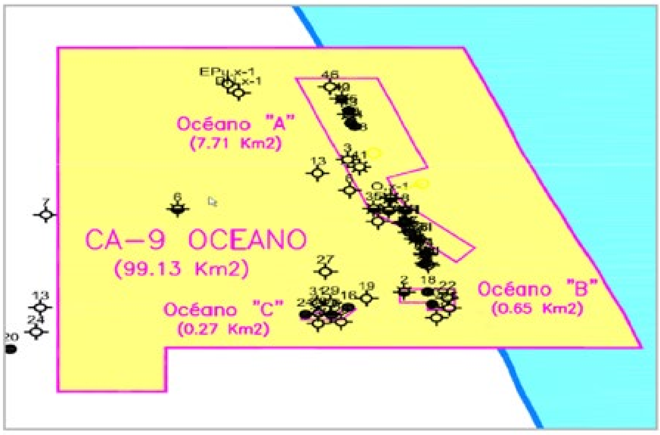
Expiration Date	4/19/2026
Total Acreage	159,877
Location	18 miles from Rio Gallegos
Royalty Rate	15%
Drilled Wells	133 - 46 Active
	Gas 152.7 BCF
Cum Production	Oil 13.0 MMbbls
	Water 69.8 MMbls
Productive Reservoirs	Springhill and Serie Tobifera Formation
Trap	Combined
Seal	Palermo Aike Shales

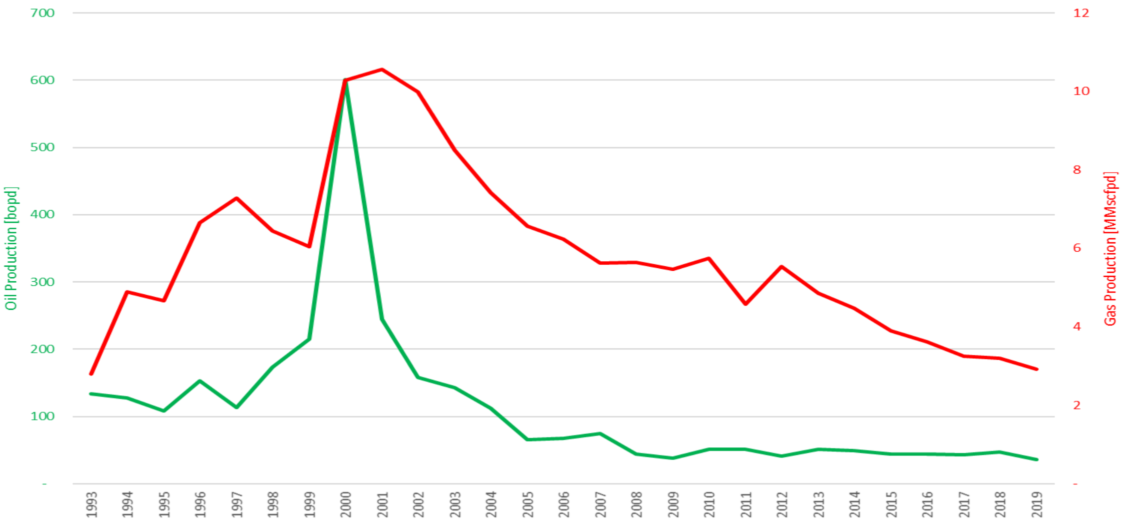




Océano

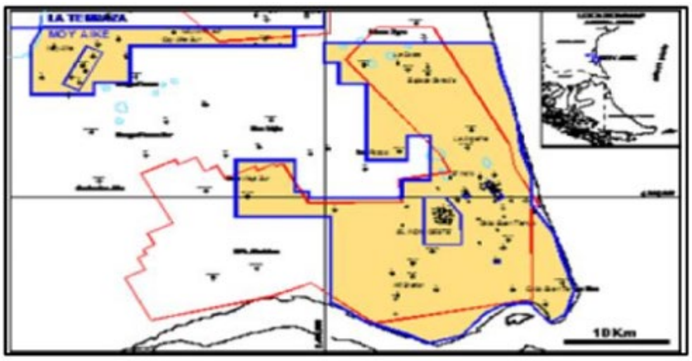
Expiration Date	8/16/2026
Total Acreage	26,628
Location	18.6 miles SE for Rio Gallegos
Royalty Rate	15%
Drilled Wells	44 - 7 producing
Cum Production	Gas 72.1 BCF Oil 2.7 MMbbls Water 17.1MMbls
Productive Reservoirs	Springhill and Serie Tobifera Formation
Trap	Combined
Seal	Palermo Aike Shales

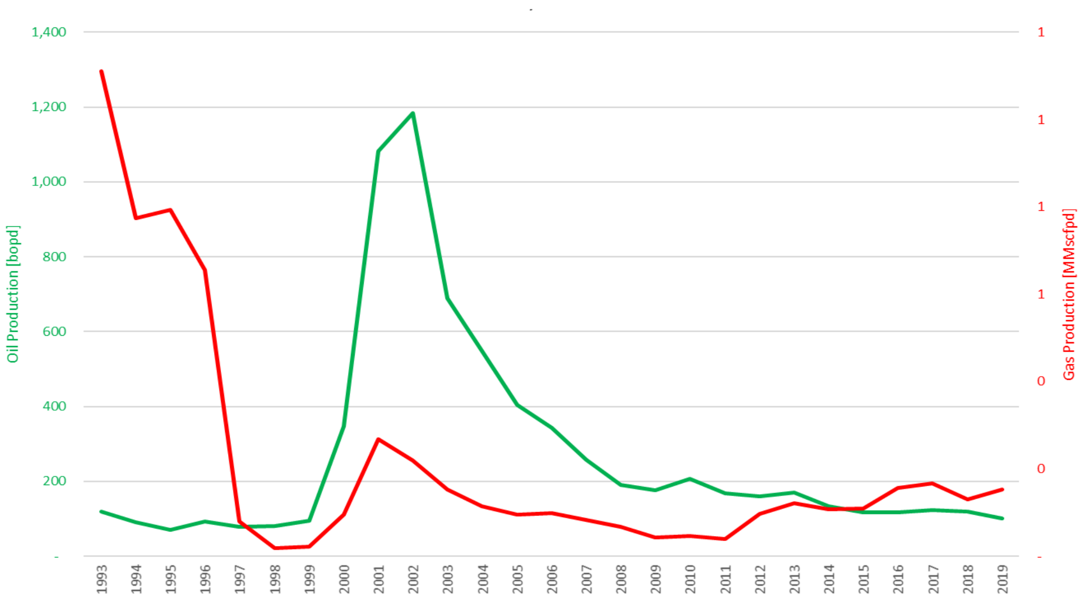




Moy Aike

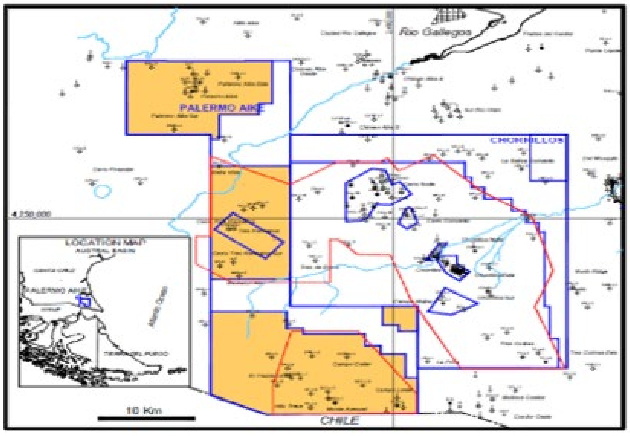
Expiration Date	4/19/2026
Total Acreage	176,435
Location	16 miles NE from Río Gallegos
Royalty Rate	15%
Drilled Wells	37 - 9 producing
Cum Production	Gas 77.8 BCF Oil 3.4 MMbbls Water 10.3 MMbls
Productive Reservoirs	Springhill and Serie Tobifera Formation
Trap	Combined
Seal	Palermo Aike Shales

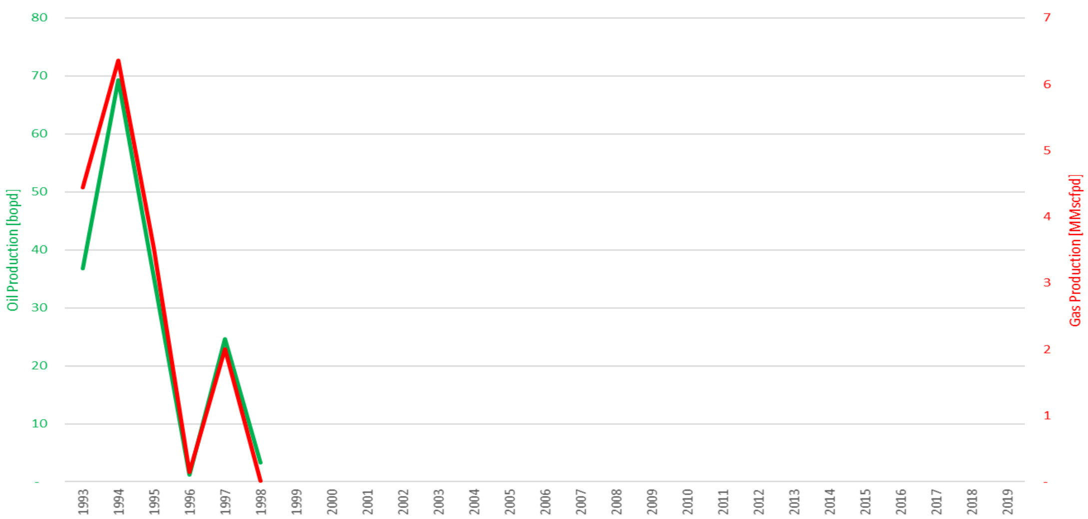




Palermo Aike

Expiration Date	4/19/2026
Total Acreage	132,807
Location	37 miles from Rio Gallegos
Royalty Rate	15%
Drilled Wells	42 - No active Wells
Cum Production	Gas 7.1 BCF Oil 125.2 MMbbls Water 142.4 MMbls
Productive Reservoirs	Springhill and Serie Tobifera Formation
Trap	Combined
Seal	Palermo Aike Shales





Exploration Potential

A number of exploration prospects have been identified within the existing boundary limits of these concessions. However, Interoil has only recently acquired these assets and is still in the process of reviewing their hydrocarbon potential.

The Campo Límite structure is one of the exploration projects that was ongoing at the time of the Acquisition as the previous operator, Roch S.A., had spudded the Cli-x1001 exploration well prior to closing the Acquisition. Henceforth, Interoil had to continue with the drilling program. This well has encountered one interesting potential interval in the Springhill and two in the Tobifera formation, and therefore the well has been cased and Interoil is defining the completion program to evaluate those intervals in due course.

1) Proven Play Concepts

a) Basement Play Group

It is unlikely that this level is prospective on its own account. In the central part of the basin it is deep and on the eastern margin migration routes would be difficult.

b) Tobifera Play Group

Many exploration wells in the basin have terminated in the Tobifera Formation, so far resulting in 29 discoveries and only ~2% of the basin's reserves. Because of very poor poroperm characteristics and doubtful migration routes, it is unlikely that significant economic discoveries will be made.

c) Springhill Play Group

This Play Group has been thoroughly explored onshore, both in Chile and Argentina. It has been shown that, to the east (offshore), reservoir thickness increases towards the Dungeness High. Far fewer exploration wells have been drilled offshore. Because the offshore area is relatively unexplored and net sandstone thicknesses are 40 m + and normally of good quality, it is probable that further discoveries will be made. Further to the east, these will probably be oil rather than gas.

It is likely that several discoveries of 100-300 MMboe will be made in water depths of less than 100 m. In order to achieve these, a detailed analysis of Springhill Formation stratigraphy is required, as well as an evaluation of existing seismic work and new surveys over prospective areas.

d) Favrella and Margas Verdes Play Group

Both plays are marginal to the main Springhill objective and should not be considered as primary targets.

e) Tertiary Plays

To date, little exploration effort has been expended on the Tertiary prospects in the western part of the basin. Only 19 small discoveries have been made, resulting from few exploration wells and seismic. Further work is necessary to identify prospects, for example seismic surveys, surface geological surveys and a careful correlation between existing fields and exploration wells in the area. Because of the molasse-type stratigraphy and complex structural geology, fields are likely to be small, and probably more gas- than oil-prone. There are likely to be up to ten discoveries with reserves of 10-20 MMboe.

2) Other Exploration Potential Prospects

f) Lower Jurassic Prospects

Few wells have been drilled to beneath the Tobifera Formation, but it is likely that nonmarine fluvial and lacustrine sandstones occur in some of the early rift valleys. Reservoir characteristics are probably poor, but as the facilities are present in the area, a selection of wells on producing fields could be deepened in search of this type of prospect.

The prospects are high risk, but at least 10 fields may be discovered with potential reserves of at least 10 MMboe per field.

g) Tertiary (Zona Glauconitica) Prospects

The marine Zona Glauconitica Formation is transgressive in the lower part of the Tertiary, towards the Dungeness High. The sandstone quality is good, but apparently no wells have been targeted specifically for this interval, as the sandstone is likely to occur in the zone thought to be unprospective between the areas occupied by the Springhill and Tertiary Play Groups. New seismic should be correlated with existing wells to define prospects (structural and stratigraphic).

Santa Cruz Assets Acquisition

The participating interest in the concessions comprised by the Acquisition has been acquired by Interoil Argentina, a subsidiary of the Company registered in Argentina, to Roch S.A., the previous operator of the concessions.

The total agreed consideration amounted to USD 1 million payable in Shares of the Company. The number of Shares issued to that effect was 4,045,539 (the "**Acquisition Shares**") and has been determined, in accordance with the purchase agreement, by the volume-weighted average market price of the Shares of the Company in the 21 calendar days immediately preceding November 8th, 2019, and the currency exchange rate at the day prior to closing of the Acquisition.

Based on the authorization granted by the Company's Annual General Meeting of 2019, the Company's Board of Directors passed the following resolution on 19 February 2020 to increase the Company's share capital, through the issuance of the Acquisition Shares:[14]

1. *The Company's share capital is increased by NOK 2,022,769.50 through issuance of 4,045,539 new shares, each with a par value of NOK 0.50.*
2. *The subscription price per share is NOK 2.195.*
3. *The shares shall be subscribed for by ROCH S.A., with address Avenida Eduardo Madero, 22nd Floor, Ciudad Autónoma de Buenos Aires, Argentina.*
4. *The share contribution shall be settled by each subscriber transferring to the Company a receivable against the Company's subsidiary, Interoil Argentina AS, in such amount as set out in Appendix 1, in aggregate receivables in the amount of USD 1,000,000.*
5. *Subscription of the shares shall be done on a separate subscription form no later than three months from the date of this resolution.*
6. *Payment for the shares through transfer of the receivables as set out above takes place automatically as a consequence of the subscribers' execution of the subscription form.*
7. *The new shares give full shareholder rights in the Company, including the right to dividends, from registration of the share capital increase in the Norwegian Register of Business Enterprises.*
8. *The Company's expenses in connection with the share capital increase are estimated to amount to approximately NOK 20,000.*
9. *The Company's Articles of Association § 4 is amended to reflect the new share capital and number of shares after the share capital increase.*

[14] English unofficial translation of the board resolution.

The immediate dilutive effect for the Company's shareholders who do not receive Acquisition Shares was approximately 2.57%.

Half of the Acquisition Shares are subject to a lock-up period of 3 months, while the remaining half is subject to a lock-up of 6 months. Subsequently, subject to any applicable securities laws, the Acquisition Shares are freely transferable.

Following the registration of the share capital increase on 2 April 2020 in connection with the issuance of the Acquisition Shares with the Norwegian Register of Business Enterprises, Interoil's share capital was increased to NOK 78,556,755.50, divided into 157,113,511 shares, each with a par value of NOK 0.50.

6.11 Patents and licenses, industrial, commercial, and financial contracts and manufacturing processes

Colombia

Interoil Colombia holds three association contracts at the Puli C block with Ecopetrol (currently through Hocol), whereby Interoil Colombia has a 70% working interest and Ecopetrol (Hocol) has a 30 % working interest. Participation in investments and production are distributed according to the working interest split. The expiration date for each contract is as follows: Rio Opia: 24 June 2030; Ambrosia: 28 December 2027 and Mana: 12 November 2028. Except for the expiration dates, the three contracts have substantially the same terms.

Interoil Colombia operated one service contract on behalf of Hocol for the Toqui Toqui fields in the Middle Magdalena Basin. Interoil Colombia was responsible for the operations and production of the fields in return for a fixed fee per barrel produced. Interoil ceased to provide these services as from May, 2020.

Interoil has a participation account agreement with SLS pursuant to which Interoil and SLS shared the funding of the drilling of four wells in the Altair and LLA-47 E&P contracts as described below.

Altair License

SLS assumed responsibility for 90% of the capex for the Altair well (Turaco-1 already drilled). In consideration, SLS agreed to initially receive 85% of the net operating income from the well and 36% of the net operating income from the well once the cost of the investment has been recovered.

LLA-47 License

SLS assumed responsibility for 60% of the capex for the Vikingo 1 and Interoil keeps an option to invite SLS to invest in Frison 1 and Jaca 1 wells under the same commercial terms. In consideration, SLS will initially receive 43% of the net operating income from the wells and only 22% of the net operating income from the wells once the cost of the investment has been recovered thereafter.

Except for the Group's oil and gas licenses, association contracts and service contracts (in general) in Colombia as described above and in Section 6.9 and the financing arrangements described in Section 9.13 "Borrowing requirements and funding structure", the Company's business is not dependent on any patents, licenses industrial, commercial or financial contracts or new manufacturing processes.

Argentina

Interoil holds association contracts at the Mata Magallanes and Cañadón Ramírez blocks with Selva María Oil and Petrominera, whereby Interoil has a 80% working interest, Selva María Oil has a 8% working interest and PetroMinera has a 12% working interest. Interoil also holds an association contract at the La Brea block with Selva María Oil and JEMSE, whereby Interoil has a 80% working interest, Selva María Oil has a 15% working interest and Jemse has a 5% working interest. As to rules on participation in investments and production see Sections 6.10.1 and 6.10.2 above.

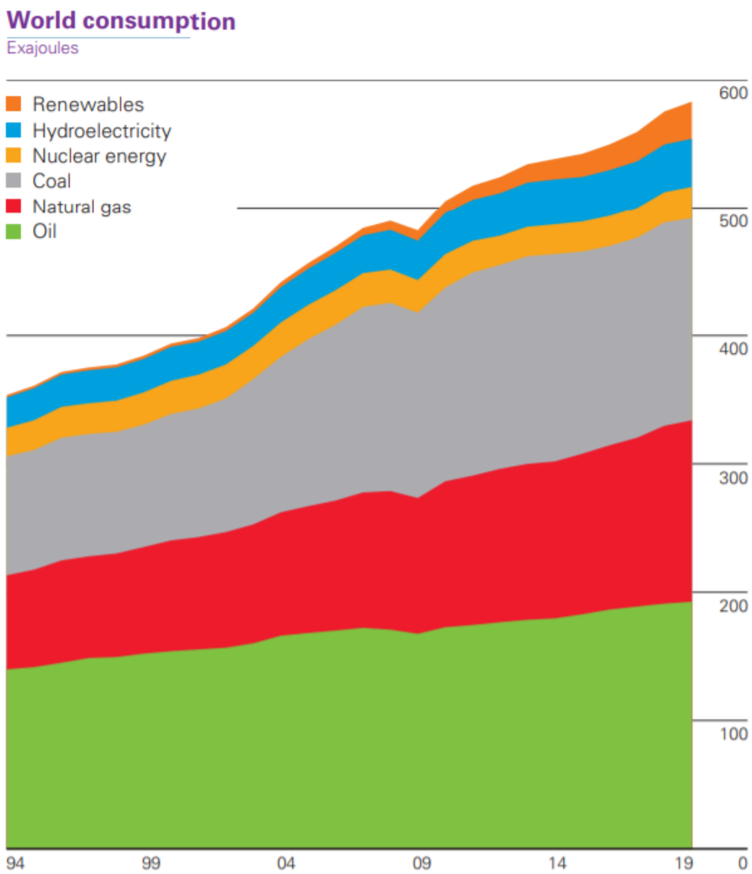
On January 11th, 2020, Interoil Argentina acquired an 8.34 percent working interest in the five Santa Cruz Assets and the Santa Cruz UT Agreement and the International Joint Venture Agreement ("**IJVA**"), both joint venture agreements governing such concessions. The Santa Cruz UT Agreement and the IJVA bound two subsidiaries of Echo plc, a company listed in the London Stock Exchange AIM, that a few weeks before Interoil, and in a separate transaction, had acquired a 70 per cent interest in the Santa Cruz Assets, the Santa Cruz UT Agreement and the IJVA, and IOG Resources S.A., a subsidiary of Integra Oil & Gas which acquired the remaining 21.66 per cent from Roch. Interoil Argentina shall serve as operator upon its registration as operator with the authorities and pending such registration by SMO under the surveillance and instruction of Interoil Argentina. Participation in investments and production are distributed according to the working interest split.

7. PRINCIPAL MARKETS[15]

7.1 The global energy market

The world energy consumption has experienced a steady increase since the industrial revolution and is expected to continue to do so in the coming years. The consumption growth rate has increased during the last decade. Fossil fuels continue to supply over 84 per cent of the world's energy of which 33 per cent is oil[16].

The world consumption of primary energy – including oil, natural gas, coal, nuclear, Hydroelectricity and other renewable energy rose by by 1.3 per cent during during 2019. Global oil consumption, experienced an increase below average of 0.9 million barrels per day or 0.9 per cent during 2019.[17]



Source: *BP* Statistical Review of World Energy 2020 – 69th Edition *2020 (69th Edition)*

7.2 The oil market

Oil is a common description for hydrocarbons in liquid form. Crude oil produced from different oil fields varies greatly in composition and the composition and distribution of hydrocarbon components determines the weight of the oil. Light crude oil has a higher percentage of light hydrocarbons than heavier oil. Light oil requires less refinement to be usable and is therefore more valuable than heavy oil.

Oil is well suited for storage and transportation and is transported over long distances in large crude oil tankers or through pipelines. As such, oil is a commodity with a well-developed world market. Oil prices are determined on the world's leading commodities exchanges, NYMEX in New York and the ICE in London which are the most important markets for the determination of world oil prices. Relative oil price differentials are primarily determined by the weight of the oil and its Sulphur content, with WTI, the main

[15] Source: BP Statistical Review of World Energy 2020– 69th Edition
[16] Source: BP Statistical Review of World Energy 2020– 69th Edition
[17] Source: BP Statistical Review of World Energy 2020 – 69th Edition

benchmark for NYMEX, as the lightest and sweetest (less Sulphur) of the main benchmarks in oil pricing. Brent Crude, the main benchmark for ICE is slightly heavier.

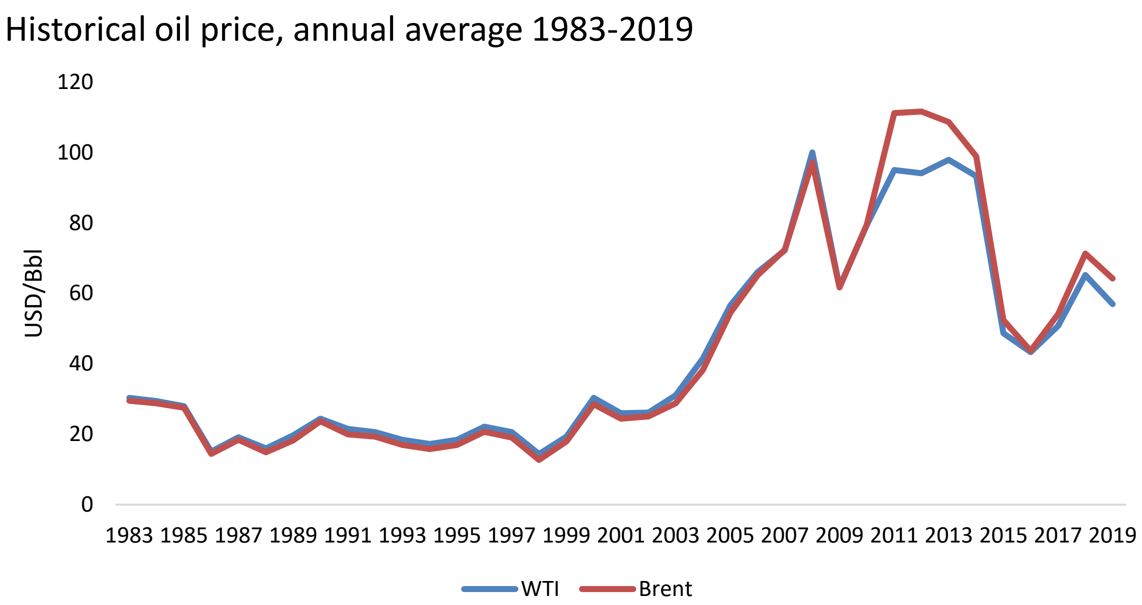
Crude oil is used for a variety of purposes, the most important being the production of energy rich fuels, with 77 per cent of the hydrocarbons being used for light and middle destilates and fuel oil such as gasoline, diesel and jet fuel[16]. The remaining hydrocarbons are used for lubricants, solvents and as raw materials in many chemical products, including pharmaceuticals, solvents, fertilizers, pesticides and plastics.

7.3 The oil price

Oil prices traded at all-time high levels (in terms of annual average) for the most part of 2011 until the first half of 2014. Brent oil prices were largely in a USD 100-125/BBL range. Global liquid fuel production exceeded consumption in the beginning of 2014 and reached 95 million b/d in 2015. Oil markets are expected to remain oversupplied in the short term. EIA's forecast for annual average prices was USD 62/b throughout 2018.

In previous instances of oil market oversupply, OPEC members have cut production to stabilize or increase prices. However, Saudi Arabia, the only member with substantial spare capacity, is no longer willing to bear the burden of production cuts alone and, since prices began to fall in mid- 2014, OPEC members have not acted together to cut production. Thus, OPEC production has remained stable and even increased, as OPEC members have attempted both to maximize revenue in the near term and to preserve market share. The national economies of many OPEC members are largely dependent on oil revenues, which already have been cut by the price drop, and OPEC producers have so far been unwilling to risk further revenue losses by decreasing production. Four main factors could provide incentives for a sustained increase in world liquids production: (1) competition among OPEC member countries for market share; (2) revenue requirements of liquids- exporting countries; (3) decreasing service costs; and (4) further technology advances that lower costs and increase recovery rates for tight oil development[17].

The figures below illustrate the historical oil price development from 1983 to 2019 with a comparison of WTI and Brent prices.



Source: BP Statistical Review of World Energy June 2020*; Bloomberg*

In the 2020 Q1 the oil prices suffered a historical and sharp fall. As a result of the COVID-19 pandemic, oil demand fell bringing down oil prices as consensus on production cuts between OPEC and non-OPEC producers frustrated and oil prices registered significant discounts.

As of 2020, the COVID-19 pandemic has negatively affected worldwide commodity prices and specifically oil in February and March of 2020. During Q1 2020 oil prices fell 18.4% and averaged US$

32/bbl in March 2020 [18]. As at April 2020, Brent traded at approximately USD 18 bbl. During the following months Brent changed this trend and has been trading at around USD 40 bbl since the beginning of June 2020.

Forcast prices for 2020 are expected to be around US$ 35/bbl previous to recover US$42/bbl in 2021. This projections are below the October forecast of US$ 58/bbl and US$ 59/bbl[19].

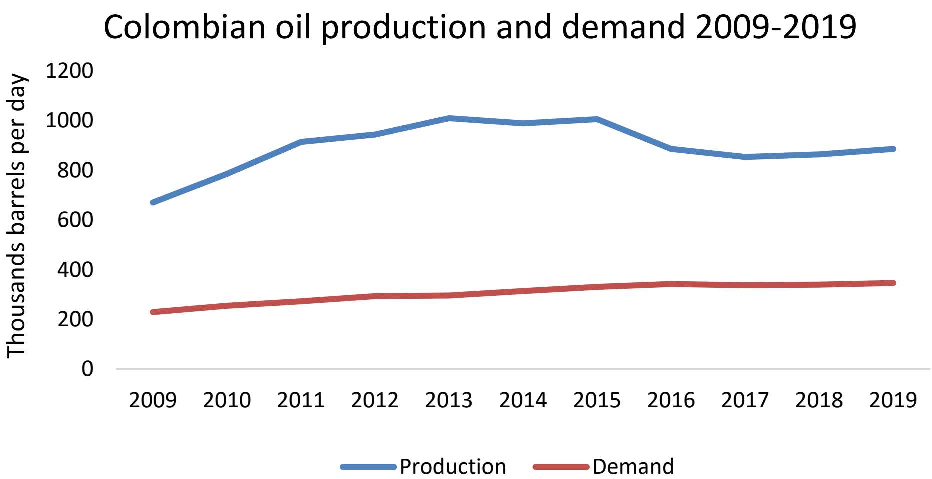
7.4 Colombian oil market

Colombia is South America's third-largest oil producer after Brazil and Venezuela and is ranked as the 22nd largest oil producer in the world, the 18th largest oil exporter in the world and the fifth- largest crude oil exporter to the United States in 2019.

Colombia had about 2 billion barrels of Proven oil Reserves in 2019, 1.4 billion barrels in 2009 and 2.3 billion barrels in 1999. Colombia's increasing reserves are a result of the exploration of several new blocks that were auctioned in the last bidding rounds in 2010, 2012 and 2014. There is a large number of E&P companies active in Colombia. For example, a total of 38 companies were qualified to obtain blocks in the 2014 bid round.

Favourable investment terms led to Colombia's crude oil production doubling in the last 10 years, reaching 1 million barrels per day (b/d) in 2013. However, the drop in global crude oil prices since mid-2014 has led to a slowdown in drilling activity and in new investments. As a result, Colombia's oil production has been stagnant at 1 million b/d in recent years and its production is expected to remain flat in the coming years20. A series of regulatory reforms enacted in 2003 make the oil and natural gas sector more attractive to foreign investors and led to an increase in Colombian oil and natural gas production. The Colombian government implemented a partial privatisation of state oil company Ecopetrol (formerly known as Empresa Colombiana de Petróleos S.A.) in an attempt to revive its upstream oil industry.

Demand for oil in Colombia has grown from 230.000 bbl/day in 2009 to 348.000 bbl/d in 2019. Colombia is a net exporter of oil, exporting approximately 500,000 bbl/d net in 2017. The United States is the largest buyer with 299,000 bbl/d of the exported volume in 2019.



*Source: B*P Statistical Review of World Energy 2020 – 69h Edition *2020*

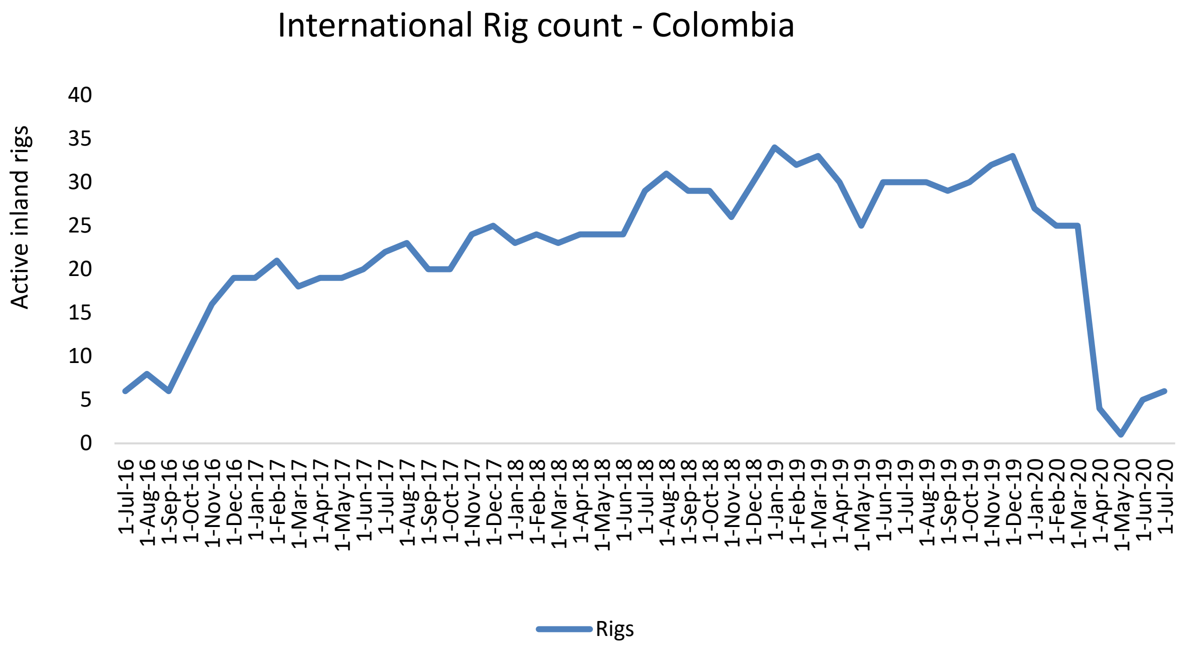
The oil service market in Colombia is relatively well developed. Besides its oil production of around .88 million barrels per day, during the 5 years period between 2015 and 2019, the number of active oil & gas rigs was on average 21and, in 2016, with the drop in global crude oil prices this average dropped to 8 but during 2017 there was an average of 20 active rigs[20].

[18] Source: Commodity markets outlook April 2020*; World economic Bank*
[19] Source: Commodity markets outlook April 2020*; World economic Bank*
[20] Source: CIA World Factbook (https://www.cia.gov/library/publications/the-world-factbook/geos/co.html)

In accordance with an oil production of around 886 thousand barrels per day, the number of active inland oil & gas rigs was on average 30 in 2019[21]. Over time, access varies due to changes in oil prices and activity levels.

As of 2020, rig count in Colombia has experienced a steady decline from the average of 25 rings during the first three months of the year until reaching a minimum of 1 rig in May 2020 due to COVID-19 pandemic. The number of active rigs has started to recover between June and July reaching a total of 6 rigs. Nevertheless, it is worth noting these values are far from the prior COVID-19 pandemic average.

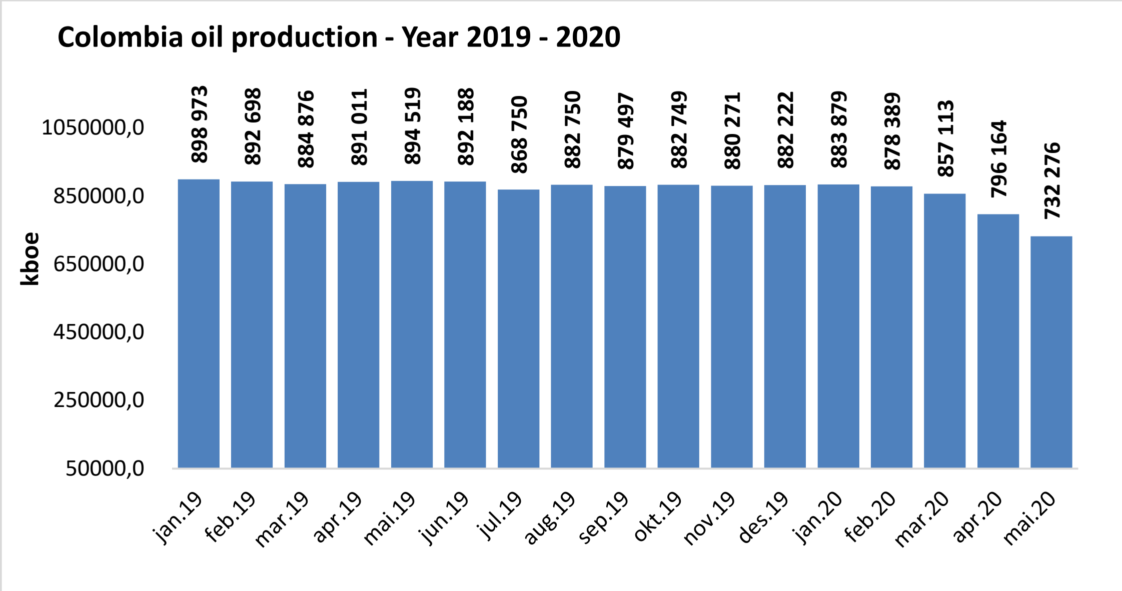
Access to rigs and services is therefore satisfactory, especially at present, due to declining oil prices and lower activity levels.



Source: Baker Hughes – International Rig count report

In 2019, the monthly average production decreased by 1.9% reaching 882,000 thousand barrels of oil equivalent (kboe) as of December 31, 2019. In the first months of 2020, the production decrease can be mainly attributed to COVID-19, this situation can be seen after march with a decline of approximately 17% as of May 2020.

[21] Source: Baker Hughes – International Rig count report - https://rigcount.bakerhughes.com/intl-rig-count https://ycharts.com/indicators/colombia_inland_rotary_rigs



Source: Agencia Nacional de Hidrocarburos de Colombia (August 2020)

7.5 Argentina oil market

Argentina has a long history of oil and gas production dating back to the start of the 20th century, with the first discovery made in 1907. The country currently produces a little over 500,000 bpd of oil. This represents around 75 per cent of domestic oil consumption.

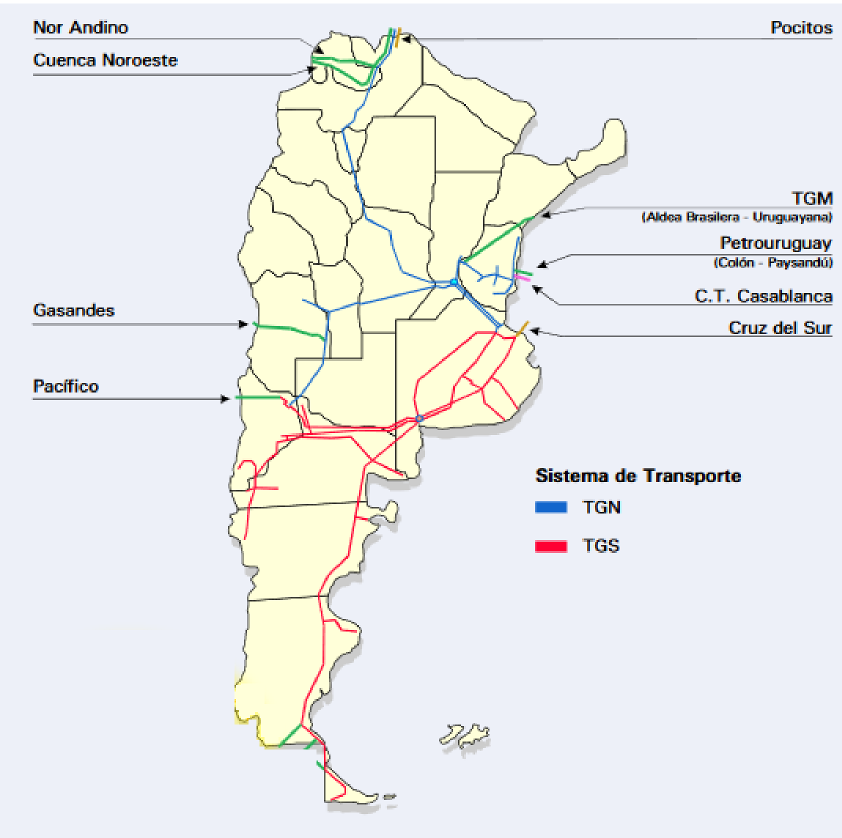
During Argentina's more than a century old oil and gas industry track record, approximately 67,000 exploration and production wells have been drilled across its various basins. As is the case with many countries, hydrocarbons are a strategic resource and control over access has therefore been the subject of significant political involvement over the years. The state majority-owned oil company, YPF S.A., is the largest industry player in the country. However, there are more than fifty other oil and gas companies, ranging from industry giants to small and medium sized local players.

The largest players by reserves include PanAmerican Energy, TOTAL, Wintershall, Shell, ExxonMobil, Chevron and Pluspetrol.

Argentina is comprised of eighteen sedimentary basins, most of which are located onshore. Hydrocarbons are currently produced from the following basins in the country: Noroeste (Northwest), Cuyo, Neuquén, San Jorge and Austral (Magallanes) basins. From the remaining non- producing basins, only the larger ones have undergone significant exploration (e.g. the Paraná (Noreste), Salado, Colorado, Rawson and Malvinas basins). Blocks with exploration licences only exist in the Colorado, Lavalle, Macachín, Malvinas, Nirihuau and Paraná (Noreste), Rawson and Salado basins. The Colorado, Malvinas, Rawson and Salado basins are all offshore.

Key basins are shown in the illustration below:

As a mature oil county, Argentina has a well-developed service market and infrastructure network.



The country has extensive infrastructure in place including over 3,171 km of oil and 17,884 km of gas pipelines, 10 oil refineries with 639,000 bpd total refining capacity and a nascent unconventional infrastructure framework. The country also has a very developed service industry with the presence of large key international players including Schlumberger, Baker Hughes and Halliburton.

7.6 The gas market

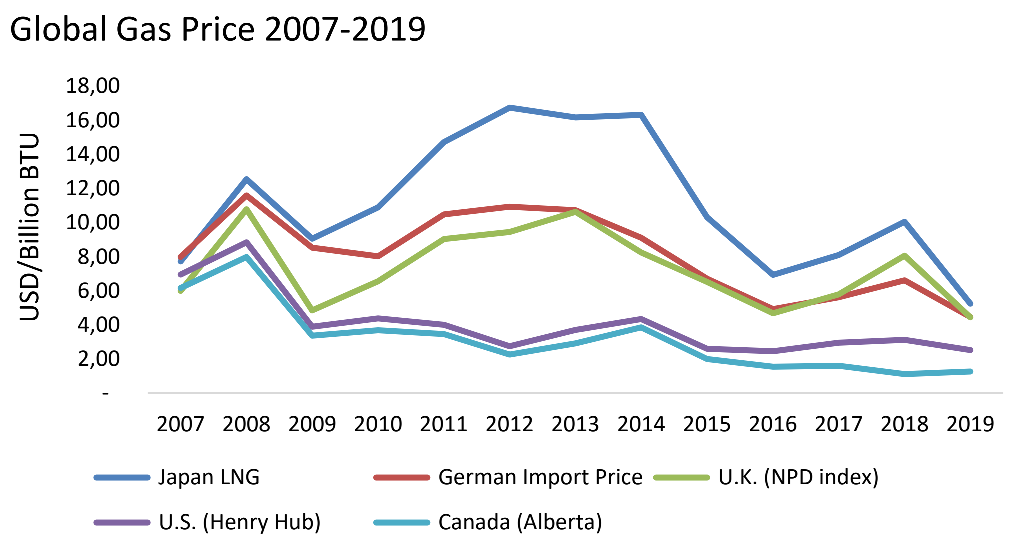
Natural gas, for the most part, is colourless, odourless and non-toxic at ambient temperatures. It can be found in onshore and offshore reservoirs as associated gas in crude oil or condensate reservoirs, or in gas reservoirs. Natural gas is composed primarily of methane but may also contain ethane, propane and heavier hydrocarbons. Small quantities of nitrogen, oxygen, carbon dioxide, sulphur compounds and water can also be found in natural gas. It is often termed a premium commodity for its value as both an energy source and as a feedstock, and because it is relatively clean-burning. As a result, natural gas is relied upon for a wide variety of applications: direct household use and business heating; electric power generation; the manufacture of petrochemical products ranging from plastics to fertilisers and intermediate materials; and as a vehicle fuel.

7.7 The gas price

Gas price is not determined by a world market place as gas is not as easily transportable as oil. Gas price is usually determined within different regional markets established by a network of pipelines. Therefore, the different gas prices are less correlated than the different oil types. The general trend for gas prices is nonetheless correlated with oil prices and other energy prices. The volatility for gas prices is also significantly larger than for oil prices. This is because gas is not as easy to store as oil which causes gas prices to be determined by the immediate supply and demand situation in the pipeline system.

In recent years, gas prices in different regions have started to differ significantly due to changes in supply. At the beginning of this decade, the North American market has experienced growth in gas supplies from shale gas which has resulted in lower gas prices whereas Japanese LNG imports experienced significantly higher prices due to large demand following the Tsunami disaster in 2011. After 2015, with the drop in global crude oil prices, gas prices have illustrated corresponding behavior.

During 2019, the henry Hub decrease around 20% reaching a value of $2.53/MMBtu due to the growth in production over consumption. In Europe and Asia prices were more affected with a decline of around 40% measured by the UK NBP index and Japan Korea Maker. Europe was the most affected region with prices at the lowest levels since 2004. [22]



*Source: B*P Statistical Review of World Energy 2020 – 69h Edition

[22] Source: BP Statistical Review of World Energy 2020 – 69h Edition

7.8 Supply and demand

Demand for natural gas increased substantially since 1970 at a much faster pace than the demand for oil. Gas has become a very competitive source of energy and given that gas is a more environmentally friendly source of energy compared to oil and coal, global gas consumption is expected to grow significantly. Projections made by the International Energy Administration in the International Energy Outlook 2016 predict global consumption of natural gas for industrial uses to increase by an average of 1.7 %/year and natural gas consumption in the electrical power sector to increase by 2.2 %/year from 2016 to 2040. This is significantly higher than corresponding growth rate projections for oil and coal consumption, both at 0.5 per cent per annum, and also well above the 1.1 per cent per annum forecasted growth rate for total primary energy consumption.

Much of the demand for natural gas is inelastic making it less responsive to variations in price. Residential heating is a good example. Industrial use of natural gas, however, is very sensitive to price, as is gas use for electrical power generation. Despite being one of the most abundant energy sources on the planet, a large part of the world's discovered natural gas is considered stranded. Stranded gas refers to reserves that have been discovered, but have not been developed because, for whatever reason, they are uneconomic to deliver to market.

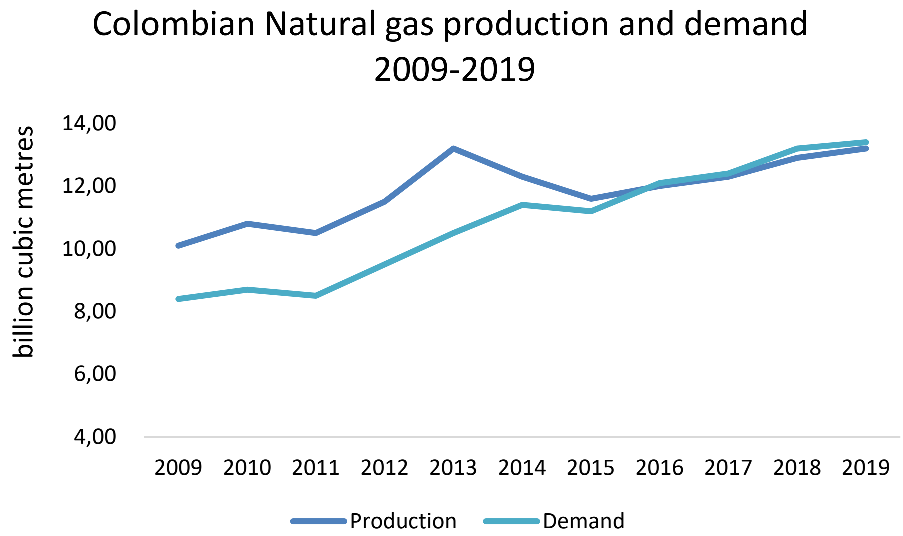
Gas is not as easy to store and transport as oil and therefore, the consumption and production of natural gas is more correlated than for oil. From the start of commercial gas production, the only feasible, safe, reliable and economical method of transportation was through pipelines. However, since the first trials in the 1960s, LNG has become an alternative method of transportation as technological improvements have made it economically more viable.

The pipeline transportation mode was ideally suited to the supply and market conditions of the twentieth century, when large reservoirs of gas could be found in accessible locations that provided the stability and long-term security that pipeline projects demand. Now, in the 21st century, the vast majority of the large, easily accessible gas plays have been tapped and attention is shifting to stranded reservoirs that were previously considered to be too small, too remote, or too geographically harsh to develop. The majority of the offshore industry is geared toward the production of crude oil, which, being a liquid, can be easily transported by tankers to virtually any market in the world. The natural gas produced in association with the crude oil, however, presents a challenge. Pipelines are extremely expensive in all but the most ideal conditions, and with the current trend toward deepwater drilling, pipelines are often not technically or economically feasible. LNG requires large processing facilities in order to transport the gas which is technically challenging for many offshore discoveries far from shore.

7.9 Colombian gas market

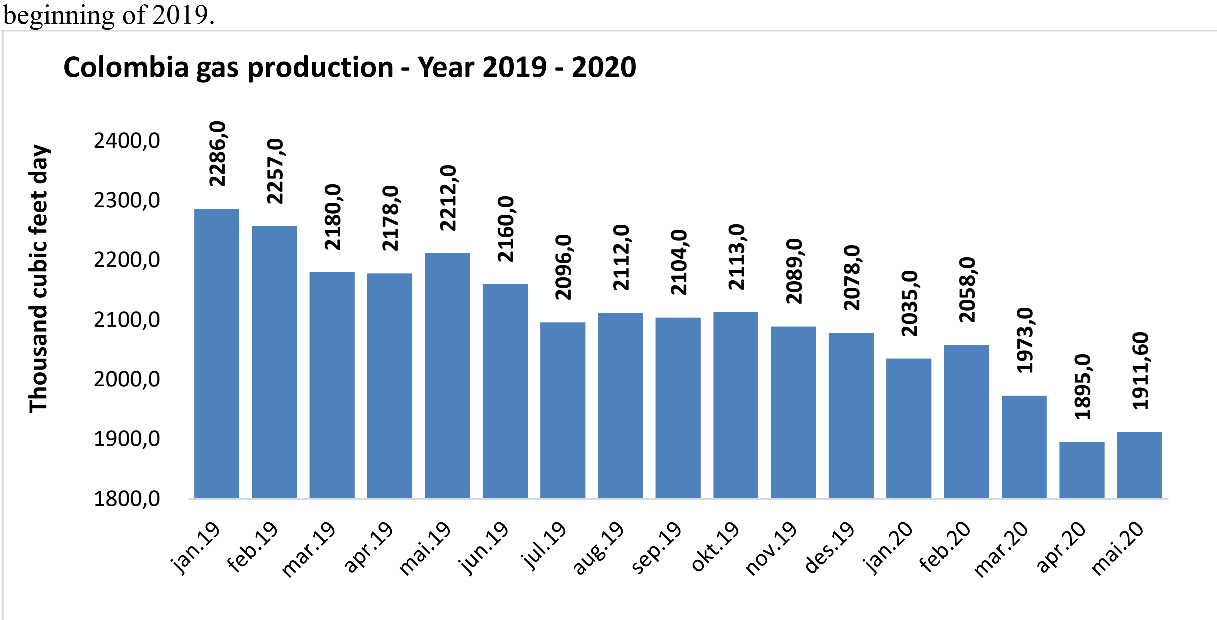
According to the BP Statistical Review, Colombia had Proved natural gas Reserves of 3.6 trillion cubic feet (Tcf) in 2019 that is approximately 0.1 Tcf less than in 2018. The bulk of Colombia's natural gas reserves are located in the Llanos basin, although the Guajira basin accounts for the majority of current production. Natural gas production, like oil production, has been rising substantially in the last few years due to increasing international investment in exploration and development, rising domestic consumption and new export opportunities.

Between 2009 and 2015, natural gas production used to be above gas consumption. However this trend changed since 2013 with a decline in production until 2015. In 2016 the trend reverted to a major consumption than production of gas. Colombia produced 13.2 Billion of cubic meters (Bcm) of dry natural gas in 2019, while consumption was 13.4 Bcm.[23]



Source: BP Statistical Review of World Energy 2020 – 69th Edition

Currently, Colombia gas production is facing a decreasing trend with a monthly average production of 2,286 in thousand cubic foot (tcfd) in January 2019 and declining to 2,078 by December 2019. In the first five months of 2020, the production continued this negative trend with a decline of almost 17% since the beginning of 2019.



Source: Agencia Nacional de Hidrocarburos de Colombia (June 2020)

[23] Source: EIA – www.eia.gov/countries

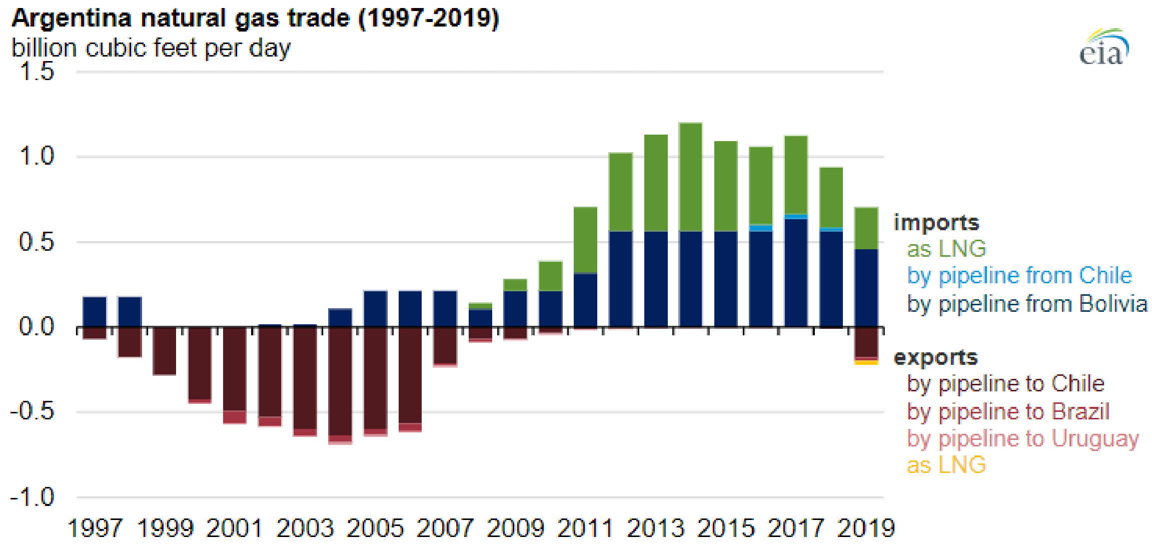
7.10 Argentina gas market

Argentina is the largest producer of natural gas and the fourth largest producer of crude oil in Central and South America, based on 2019 production, according to the 2020 edition of the BP Statistical Review of World Energy published in June 2020.

In response to the economic crisis in 2001 and 2002, the Argentinean government, pursuant to the Public Emergency Law, established export taxes on certain hydrocarbon products. In subsequent years, in order to satisfy growing domestic demand and abate inflationary pressures, this policy was supplemented by constraints on domestic prices, temporary export restrictions and subsidies on imports of natural gas and diesel.

In 2003, Argentina's net exports of diesel amounted to approximately 1,349 mcm, while in 2016, its net imports of diesel amounted to approximately 2,186 mcm, according to preliminary information provided by the Argentine Secretariat of Energy. Significant investments in the energy sector are being carried out and additional investments are expected to be required in order to support continued economic growth as the industry is currently operating near full capacity.

Argentina increased production can be mainly attributed to the development of shale and tight in the Neuquen basin of Vaca Muerta. As of December 2018, production surpassed 1.0 billion cubic feet day, a situation that allowed the country to export natural gas capacity to neighbors' countries Chile and Brazil. [24]



Source: EIA - Growth in Argentina's Vaca Muerta shale and tight gas production leads to LNG exports

Since December 2015, several reforms were introduced, including relaxation of exchange rate and capital controls, infrastructure plans aimed at reducing transport and export costs and a labour reform in Vaca Muerta to increase employee competitiveness. As part of these reforms, domestic oil price constraints were reduced and expected to be removed from 31 December 2018. Gas price deregulation was announced to be implemented in several stages with import parity expected by 2020.

As of 2019, natural gas production increased by 5% year over year and its 1.9% higher than in 2009. In addition, the tight gas from non-conventional formations grew by 26.3% compared to 2018. This growing rate is considerably lower than during previous years. During the last ten years the conventional natural gas production had a decline rate of 5.2% totalizing 41% less than 2009. [25]

[24] Source: EIA – "Growth in Argentina's Vaca Muerta shale and tight gas production leads to LNG exports" (June, 2019)
[25] Source: IAE – "Informe anual de hidrocarburos 2019 IAE Mosconi" (March, 2020)

8. BOARD OF DIRECTORS, MANAGEMENT AND CORPORATE GOVERNANCE

8.1 Introduction

The general meeting of the shareholders (the "**General Meeting**") is the highest authority of the Company. All shareholders of the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested in the Board of Directors and the Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organisation, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors also acts as the Company's audit committee. In addition, the Articles of Association provide for a nomination committee.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's general manager, is responsible for keeping the Company's accounts in compliance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the general manager must, according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results at least once a month.

8.2 Board of Directors

The below named members of the Board of Directors were elected for a period of two years at the Company's annual general meeting on 27 June 2019.

Hugo Quevedo, Chairman

Mr Quevedo graduated from Universidad de Buenos Aires in 1987 with a law degree and holds a Master of Laws (LLM.) from the London School of Economics and Political Sciences, London, UK, and a Postgraduate Diploma in Global Business of the University of Oxford, UK. He also attended courses on regulation of financial markets at the King's College, London, financial law at Queen Mary & Westfield College, London and energy law at the Centre of Petroleum of Energy, Petroleum and Mineral Law and Policy of the University of Dundee, Dundee, Scotland.

Mr. Quevedo has extensive experience in both the private and public sectors. He has advised several important public and private companies, banks and organisations in connection with cross-border and domestic corporate, energy and financial transactions, matters and litigation. He has represented companies in M&A transactions and financings in a wide range of industries, including oil & gas, power generation and distribution, natural gas transport and distribution, mining, forestry, fishing, pharmaceutical and retail, among others. Mr Quevedo has also acted as an arbitrator and as an expert witness in international investment treaty arbitrations. In the public sector, he held various positions at the office of the President of Argentina, including Director General of Organisation and was advisor to several public officers, including the Argentinean Secretary of Energy.

Mr. Quevedo currently holds the following directorships, supervisory or leading management positions (other than positions in the Company and/or its subsidiaries):

- Andes Oil S.A.
- Andes Hidrocarburos Investment S.A.
- MSO Andes Energía Argentina S.A.
- Andes Energía Argentina S.A.
- Kilwer S.A.
- Ketsal S.A.
- Grecoil y Cía. S.A.
- CHPPC Andes S.R.L

- Tower 3 S.A.
- Evolution Technology S.A.
- Supercablecanal S.A.
- Supercanal S.A.
- Surcor S.A.
- Arlink S.A.
- TV CA S.A.
- CVI Austral Ltd.
- Santhor S.A.

Other than the above mentioned positions, Mr. Quevedo has not held any directorships, supervisory or leading management positions during the last five years.

Nicolas Acuña, Board member
Mr. Acuña serves as vice president of Finance at Canacol Energy Ltd. Mr Acuña has over 20 years of experience in the oil and gas industry in Colombia, within the finance and administration. He was previously finance, administration and IT manager at Cepsa Colombia and has held various senior management positions in Petrocolombia S.A., including finance and administration manager and general manager of an affiliated operating company. Mr Acuña holds an MBA from Inalde, an MSc in Engineering-Economic Systems from Stanford University and a BSc in Civil Engineering from the Universidad de los Andes.

Mr. Acuña is currently vice president of finance at Canacol Energy Ltd. During the last five years, Mr. Acuña has not held any directorships other than in Interoil.

Ms Mimi Berdal, Board member
Ms Berdal runs an independent legal and corporate consulting business. She has extensive experience as board member of listed companies, including directorships at Rocksource ASA (Chairman), Renewable Energy Corporation ASA (Chairman), Gassco AS (Chairman) and Copeinca ASA. Ms Berdal
Is currently director of Goodtech ASA and Chairman of EMGS ASA. She has previously served as a legal advisor of Total Norge and partner at Arntzen de Besche law firm. Ms Berdal holds a Cand.jur (law) degree from the University of Oslo.

Ms Berdal currently holds the following directorships, supervisory or leading management positions (other than positions in the Company and/or its subsidiaries):

- Chairman of EMGS (Electromagnetic Geoservices ASA)
- Director of Goodtech ASA
- Director of Energima AS
- Director of KLP Eiendom AS

Save for the above mentioned positions, Ms Berdal has during the last five years held the following directorships, supervisory or leading management positions:

- Director of Vistin Pharma ASA
- Director of Itera ASA
- Chairman of board of directors of Gassco AS
- Director of Norske Skogindustrier ASA

German Ranftl, Board member
German Ranftl is a Public Accountant from the University of Buenos Aires, graduating in 1990, and has a Master's in Business Administration from CEMA. He spent nearly 11 years in the banking sector, including eight years at ING Barings as a Vice President in Corporate Finance and Investment Banking, previous to that he had work for Bank of Boston. Since 1998 and for five years he was CFO of Supercanal SA, the third largest cable company of Argentina, with also operations in Spain, Bolivia and Dominican Republic. After

that period of time he was Vice President of Integra Investment SA, a consulting firm with many international and Argentine transactions in M&A and Capital markets and debt restructuring. In 2007 he was appointed Chief Financial Officer of EDEMSA and restructured a debt of USD 160 million, consequently EDEMSA was part of a reverse take-over of a listed company in AIM London Stock Exchange, and German was CFO of that listed company for 11 years, mainly Andes Energia PLC was primarily operating EDEMSA and HASA, electrical distribution of Mendoza Province and oil areas in Argentina and Colombia, that have been acquired by International Bidding process. German has also participated in the exchange process of the Debt of Supercanal and the company was finally sold last year to an international player. As of today he is also working in the restructuring of the debt of EDEMSA with the regulatory Entity and has also participate in a new reverse take-over of Mercuria in Andes Energia PLC.

Mr. Ranftl currently holds the following directorships, supervisory or leading management positions (other than positions in the Company and/or its subsidiaries):

- Director of Integra Capital S.A
- Director of Inversiones Familiares S.A
- Alternate Director of Integra Recursos Naturales S.A
- Alternate Director of Integra Recursos Naturales Minerales S.A
- Alternate Director of Integra la Victoria S.A.
- Alternate Director of Integra Retiro Real Estate S.A.
- Director of Integra Oil and Gas S.A.
- President of Integra Oil and Gas SAS

Save for the above mentioned positions, Mr. Ranftl has during the last five years held the following directorships, supervisory or leading management positions:

- Vice-president of Andes Energía S.A
- Vice-president of Ketsal S.A
- Vice-president of Kilwer S.A
- Director of Grecoil y Cia S.A.
- Alternate Manager of CHPP Andes
- Vice-president of MSO Andes Energía S.A
- Director of Andes hidrocarburos Investment S.A.
- Vice-president of Integra investments S.A.
- Alternate Director of Andes Oil & Gas S.A.
- Vice-president of Andes Oil S.A.
- President Class B of AEN Energy Argentina S.A.
- President Class B of AEN Energy Mendoza S.A.
- CFO Andes PLC

Laura Mármol , Board member
Ms. Marmol has served eight years as a corporate lawyer with Argentinian oil & gas companies. She has previously worked at several law firms in the City of Buenos Aires. Ms Marmol holds a Bachelor´s Degree in Law from the University of La Plata, Province of Buenos Aires, Argentina (2007) and a Bachelor Degree in Certified Translation from the University of Buenos Aires, Argentina (2015).

Ms. Marmol currently does not hold any directorships, supervisory or leading management positions (other than positions in the Company and/or its subsidiaries). Ms. Marmol has not, during the last five years, held any directorships, supervisory or leading management positions.

Carmela Saccomanno, Board member
Miss Saccomanno is a qualified communications and institutional relations professional. She graduated from Austral University, Argentina, as a Bachelor in Media & Communications with a specialisation in

journalism. She has obtained her Master's Degree in Digital Management at Hyper Island, Teesside University, United Kingdom.

Ms. Saccomanno has completed her non-executive director studies at the Institute of Directors, United Kingdom. Miss Saccomanno has worked in communication strategies in different Oil & Gas and natural resources companies. She has experience in coordinating geographically distributed teams in remote collaboration through leadership skills and digital instruments.

Ms. Saccomanno currently does not hold any directorships, supervisory or leading management positions (other than positions in the Company and/or its subsidiaries). Ms. Saccomanno has not, during the last five years, held any directorships, supervisory or leading management positions.

The Company's business address, c/o Advokatfirmaet Schjødt AS Ruseløkkveien 14, 0251 Oslo, Norway serves as the address for the members of the Board of Directors in relation to their directorship with the Company.

None of the members of the Board of Directors have been convicted in relation to fraudulent offences. None of them has been involved in any bankruptcies, receiverships or liquidations. Nor have they been given any public incrimination and/or sanctions by regulatory authorities (including designated professional bodies) or have ever been disqualified by a court from acting as a member in the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

8.3 Management

The following persons are considered part of the Management of Interoil:

Leandro Carbone, Chief Executive Officer

Mr Carbone is the Chief Executive Officer and brings over 20 years of experience in leading oil and gas projects. He commenced his career as a field engineer working for TOTAL during a 10 year period in Europe, North Sea and Latin America. In recent years Mr Carbone has been a Latin American Executive Director for many private and public companies. He has extensive experience across Latin America and has been involved in a number of significant discoveries and transactions across Argentina, Peru, Bolivia and Colombia. Mr Carbone is a Petroleum Engineer from Instituto Tecnologico de Buenos Aires.

Mr Carbone is currently the president of Vasmol Corporation SA. Mr Carbone has during the last five years been a director of Andes Energia PLC.

Francisco G. Vozza, General Manager

Mr. Vozza has a Bachelor degree in Business Administration from the California State University, Los Angeles, USA and a MBA from the BI Norwegian School of Management, Executive School, Oslo, Norway. His professional experience includes positions in different European companies, including 11 years in different positions at Equinor ASA.

Mr. Vozza currently does not hold any directorships, supervisory or leading management positions (other than positions in the Company and/or its subsidiaries). During the last five years, Mr. Vozza served as Strategy Leader at Equinor ASA and as Business Development Manager at Scatec Solar ASA.

Juan Verde, Vice-President Energy Transition and Strategy

Juan holds Master´s Degree in Public Administration from Harvard University and a Bachelor of Political Science and International Relations from Boston University. During the administration of President Obama, Juan served as Deputy Assistant Secretary for Europe and Eurasia at the United States Department of Commerce. In the private sector, Juan has advised multiple prestigious companies, such as Google, Cisco, SAS, Santander Bank in the United States, etc. Additionally, Juan has collaborated with diverse world renowned institutions such as the Inter-American Development Bank, Harvard University and the World Bank.

As a passionate defender of environmental causes, sustainability and the fight against climate change, Juan Verde collaborated with former Vice President Al Gore to establish and lead subsidiaries for his foundation "Climate Reality Project" in Spain and Argentina.

Juan currently presides over the Advanced Leadership Foundation, a non-profit American institution whose mission is to empower the next generation of leaders by developing professional skills to enhance their competitiveness as agents for change in society.

The Company's business address c/o Advokatfirmaet Schjødt AS Ruseløkkveien 14, 0251, Oslo, Norway serves as c/o addresses for the members of the Management in relation to their employment in the Company.

None of the persons referred to in section 8.2 and 8.3 have service contracts with Interoil or any of its subsidiaries providing for benefits upon termination of employment.

No member of the Management has been convicted of fraudulent offences or has been involved in any bankruptcies, receiverships or liquidations. Nor have they been given any public incrimination and/or sanctions by regulatory authorities (including designated professional bodies) or have ever been disqualified by a court from acting as a member in the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

8.4 Conflicts of interest

Mr Acuña is currently vice president of finance at Canacol and was previously a director of Canacol, a competitor of the Group. A conflict of interest may therefore arise with respect to his position as member of the Board of Directors.

Other than the above, the Company is not aware of any current or potential conflicts of interest between any duties to the Company of the persons named in sections 8.2 and 8.3 and their private interests and / or other duties. There are no family relationships between the persons named in sections 8.2 and 8.3.

8.5 Remuneration and pension

The Board and management received the following remuneration and benefits in 2019:

Amounts in USD 1000		Period	Salary	Bonus	Pension scheme	Expensed option cost	Other
Leandro Carbone	CEO	01.01-31.12	156				
Pablo Creta	CFO/ GM	01.01-31.12	68				

* The CEO and the CFO have signed agreements with Interoil Exploration and Production Colombia Inc. BVI is responsible for all taxes.

Group management is not part of a pension scheme and there are no benefits in kind.

The employment contract for the General Manager can be terminated on three months' notice with payment of salary during the notice period. The General Manager is entitled to a severance pay of nine months' salary.

Members of the Board of Directors have no right to severance pay.

No loans have been given to, or guarantees given on behalf of, any members of the Group Management, the Board or other elected corporate bodies.

The compensation structure and guidelines for Management and key employees are subject to annual review and approval by the Board of Directors.

Board member compensation in 2019:

Annual board member remuneration for 2019 and 2018 is set to NOK 400 000 for the Chairman of the Board, and NOK 200 000 for all other Board members. For these periods there will be no extra fee in relation to the audit committee, and no fee to the Nomination Committee.

USD 1 000		Period 2019	Board member fee	Board fee from subsidiary	Consultancy fee	Nomination /audit committee
Hugo Quevedo	Chairman	01.01-31.12	46*	0	0	0
Mimi Berdal***	Member	01.01-31.12	23	0	0	0
Nicolas Acuña	Member	01.01-31.12	24	0	0	0
Maria R. S. Moreno**	Member	01.01-28.02	4	0	0	0
Natalia E. Mariani	Member	01.01-27.06	14	0	0	8
Jorge Brown	Member	01.01-27.06	12	0	0	0
German Ranftl	Member	27.06-31.12	11	0	0	0
Laura Marmol	Member	27.06-31.12	12	0	0	0
Carmela Saccomanno	Member	27.06-31.12	12	0	0	0

*) The Chairman of the Board, Hugo Quevedo and Board member, Nicolas Acuña, receive their remuneration from Interoil Exploration and Production Colombia Inc.
**) Maria R. S. Moreno resigned the position on March 2019.

***) Mimi Berdal has a consultancy agreement with the Company. She will provide assistance and advice to the Company on a current and stand-by basis on matters pertaining to Norwegian markets and relations.

8.6 Shareholdings and stock options

As at the date of this Prospectus, none of the members of the Board of Directors or the Management hold any Shares or options to subscribe for Shares.

8.7 Corporate Governance

Interoil's corporate governance principles aim to contribute to value creation over time, benefiting its shareholders and its other stakeholders. As an international exploration and production company, Interoil aims to conduct business in an economically efficient, socially responsible and environmentally acceptable manner. The Company is currently following the principles set forth in the Norwegian Code of Practice for Corporate Governance, published on 17 October 2018. The latest full Corporate Governance statement of the Board of Directors is presented in the 2018 Annual Report.

Interoil's Board of Directors strongly believes that sound principles for corporate governance are an important prerequisite for building trust between the Company and its stakeholders and securing shareholder value. Owners, investors, customers, employees and other stakeholders should always be confident that Interoil's business activities are characterised by reliability, control, transparency and high ethical standards. Interoil will in all material aspects follow the Norwegian Code of Practice for Corporate Governance and report the Company's Corporate Governance in the annual report. Any deviations from the Code of Practice will be explained in its annual reports.

The Code of Practice recommends the establishment of board committees, particularly separate audit and remuneration committees when key employees are also members of the board, as is the case for the Company. Following election of the new six-member Board, the Company has not established a separate audit committee or remuneration committee.

8.8 Employees

As at the date of this Prospectus, the Group employs 34 employees all of which are employed in Colombia.

As of December 31, 2019, the Group employed 52 employees of which 1 was employed in Norway and 51 in Colombia (2018: 49 employees of which 1 was employed in Norway and 48 in Colombia. 2017: 49 employees of which 1 was employed in Norway and 48 in Colombia, 2016: 53 employees of which 1 were in Norway and 51 in Colombia).

8.9 Retirement benefit

Interoil Exploration & Production ASA (Norway) had until 2019 a defined benefit plan for employees in the Norwegian parent company. The Norwegian company meets the Norwegian requirements for mandatory occupational pension. As of March 31, 2020, Interoil Exploration & Production ASA (Norway) has no employees.

Interoil Colombia – the branch office, had a defined plan for employees in the period from 1991 to 1994. From 1995 it was mandatory for all Colombian employees to be affiliated to a private or public pension fund, and the defined plan stopped.

As at 31 March 2020, the Groups retirement benefit obligation liability amounted to USD 541,000.

9. FINANCIAL INFORMATION

You should read the following discussion of the financial condition and results of operations in conjunction with the financial statements included in this Prospectus. The following discussion contains forward-looking statements that are based on current assumptions and estimates by the Company's management regarding future events and circumstances. The Company's actual results could differ materially from those expressed or implied by the forward-looking statements as a result of many factors, including those described in Section 2 "Risk factors".

Historical financial information for the Company for the years 2017, 2018, 2019 and for the three months period ended 31 march 2020 and 2019 is presented below. International Financial Reporting Standards (IFRS) as adopted by EU have been applied as the accounting principles for listed companies in Norway since the Company was established on 2 May 2005. The annual financial statements for the three years 2017, 2018 and 2019 are audited whereas the interim reports for first quarter of 2020 and 2019 are unaudited.

For further comments on the Company's financial information and explanatory notes, refer to the annual reports for 2019, 2018, and 2017. The figures for the three months period ended 31 March 2020 and 2019 as included below, have been prepared by the Company and are unaudited. The Company's annual reports for the years 2019, 2018 and 2017, including the auditor's reports, as well as the interim financial statements for the three month period ended 31 March 2020 and 31 March 2019, are incorporated by reference in this Prospectus (see Section 15.2 "Documents incorporated by reference"). The Company's financial statements are also available on the Company's website at www.interoil.no.

9.1 Accounting policies

A summary of the Company's significant accounting policies is included in note 2 of the 2019 annual financial statements.

The consolidated financial statements include the Company and all of its subsidiaries (together referred to as the "Group"). In 2019, 2018 and 2017 the Group comprised the Company based in Norway, the Company's subsidiaries incorporated in Norway, the British Virgin Islands, Panama and a branch in Colombia.

9.1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the European Union (EU). The consolidated financial statement is presented in USD and is rounded up to thousands (1,000). The consolidated financial statements have been prepared under the historical cost convention, except for financial assets and liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.17 of the Company's financial statements for 2017. Due to new IFRS 15 requirements, from January 2018, partners participation not paid in kind is recognised as revenue and cost separately (previously it was only net cost). The applying of the new standard also effects net working production and sales figures.

9.2 Consolidated income statements

Set out below is the consolidated income statement for the Group for the periods indicated:

Amounts in USD 1000	For the 3 months period ended 31 March 2020	For the 3 months period ended 31 March 2019	For the 12 months period ended 31 Dec 2019	months period ended 31 Dec 2018	months period ended 31 Dec 2017
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Sales	3,457	3,826	17,072	21,318	16,602
Coat of goods sold	-1,925	-1,516	-7,511	-9,195	-5,618
Depreciation	-2,282	-1,922	-7,595	-9,438	-5,756
Gross Profit	**-750**	**388**	**1,966**	**2,685**	**5,228**
Exploration Cost expensed	-200	-23	-964	-903	-1,914
Adminitrative expense	-784	-902	-3,567	-5,702	-4,230
Impairment of oil and gas assets	-	-	-1,547	-	-
Other Income	129	46	502	681	-606
Result from operating activities	**-1,605**	**-491**	**-3,610**	**-3,239**	**-1,522**
Finance income	2,399	235	1,391	1,337	651
Finance costs	-950	-1,186	-5,206	-4,280	-4,008
Net Finance income (expense)	**1,449**	**-951**	**-3,815**	**-2,943**	**-3,357**
Profit (loss) before income tax	**-156**	**-1,442**	**-7,425**	**-6,182**	**-4,879**
Income tax expense	-733	-218	-216	-983	-825
Profit of the year	**-889**	**-1,660**	**-7,641**	**-7,165**	**-5,704**
(Loss)/profit from discontinued operations	-	-	-	-	-
Profit of the period	**-889**	**-1,660**	**-7,641**	**-7,165**	**-5,704**
Other comprehensive loss	-	-	-	-7	15
Total comprehensive income for the year	**-889**	**-1,660**	**-7,641**	**-7,172**	**-5,689**
Attributable to:					
Equity holders of the parent	-889	-1,660	-7,641	-7,172	-5,689
Earnings per share (expressed in USD per share)					
-basic and diluted - total	-0.01	-0.03	-0.09	-0.11	-0.02
-basic and diluted - continuing operations	**-0.01**	**-0.03**	**-0.09**	**-0.11**	**-0.02**

9.2.1 Segment information

The Group's organizational structure reflects the different activities in which Interoil is engaged. Management has determined the operating segments based on reports that are reviewed and used to make strategic decisions. The Group has three reportable segments, Norway, Colombia and Argentina, of which the Colombian and Argentinean segments are operational. The Colombian segment consists of upstream activities including oil and natural gas exploration, field development and production from the Group's licenses in Colombia, which is the Group's most developed business unit. The business unit is considered both from a geographic and development phase perspective. Geographically, management considers the performance of the activities in Colombia. For the strategic business unit, the management and other decision makers review internal management reports on a day to day basis. The fast-growing Argentinian segment consists of upstream activities including oil and natural gas exploration, field development and production from the Group's licenses in the Provinces of Chubut and Jujuy and, as from the Q1 of 2020, Santa Cruz.

No operating segments have been aggregated to form the above mentioned reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on production, operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Segment revenues and segment results include transactions between business segments. These transactions and any unrealised profits and losses are eliminated. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Corporate/unallocated consists of other business and corporate activities.

Segment information – business segments

For the 3-month period ended 31 March 2020:

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall / Elimi	Group (continuing business)
Total Revenue	3,257	200	107	-107	3,457
Cost of goods sold ex depreciation	-1,763	-162	-	-	-1,925
Depreciation oil and gas assets (2)	-2,282	-	-	-	-2,282
Gross profit	**-788**	**38**	**107**	**-612**	**-750**
Exploration and evaluation cost expensed (3)	-200	-	-	-	-200
Administrative expense	-784	- -	107	107	-784
Other operating income / expenses	129	-	-	-	129
Profit / (loss) from operating activities (1)	**-1,643**	**38**	**-**	**-**	**-1,605**
Finance income	2,134	-	783	-518	2,399
Finance costs	-1,076	- -	392	518	-950
Profit / (loss) before income tax	**-585**	**38**	**391**	**-**	**-156**
Income tax expense	-733	-	-	-	-733
Net profit / (loss)	**-1,318**	**38**	**391**	**-**	**-889**
Other comprehensive loss	-	-	-	-	-
Total comprehensive (loss) Income, net of tax	**-1,318**	**38**	**391**	**-**	**-889**
EBITDA (Earnings before interest, tax, depr. and amort.) (1) - (2)	639	38	-	-	677
EBITDAX (Ebitda asjusted for exploration expeneses) (1) - (2) - (3)	839	38	-	-	877

For the 12-month period ended 31 December 2019:

Amounts in USD 1 000		Colombia		Argentina		Norway		Unall / Elimi		Group (continuing business)
Total Revenue		16,810		262		612	-	612		17,072
Cost of goods sold ex depreciation	-	6,722	-	789		-		-	-	7,511
Depreciation oil and gas assets (2)	-	7,595		-		-		-	-	7,595
Gross profit		**2,493**	-	**527**		**612**	-	**612**		**1,966**
Exploration and evaluation cost expensed (3)	-	964		-		-		-	-	964
Administrative expense	-	3,602		-	-	577		612	-	3,567
Impairment	-	1,547		-		-		-	-	1,547
Other operating income / expenses		502		-		-		-		502
Profit / (loss) from operating activities (1)	-	**3,118**	-	**527**		**35**		**-**	-	**3,610**
Finance income		1,381		-		2,135	-	2,125		1,391
Finance costs	-	2,565		-	-	4,766		2,125	-	5,206
Profit / (loss) before income tax	-	**4,302**	-	**527**	-	**2,596**		**-**	-	**7,425**
Income tax expense	-	216		-		-		-	-	216
Net profit / (loss)	-	**4,518**	-	**527**	-	**2,596**		**-**	-	**7,641**
Other comprehensive loss		-		-		-		-		-
Total comprehensive (loss) Income, net of tax	-	**4,518**	-	**527**	-	**2,596**		**-**	-	**7,641**
EBITDA (Earnings before interest, tax, depr. and amort.) (1) - (2)		4,477	-	527		35		-		3,985
EBITDAX (Ebitda adjusted for exploration expenses and non-recurring items) (1) - (2) - (3) - (4)		5,441	-	527		35		-		6,496

For the 12-month period ended 31 December 2018:

Amounts in USD 1 000	**Colombia**	**Norway**	**Unall / Elimi**	**Group (continuing business)**
Total Revenue	21,318	869	- 869	21,318
Cost of goods sold ex depreciation	- 9,195	-	-	- 9,195
Depreciation oil and gas assets (2)	- 9,438	-	-	- 9,438
Gross profit	**2,685**	**869**	**- 869**	**2,685**
Exploration and evaluation cost expensed (3)	- 903	-	-	- 903
Administrative expense	- 5,722	- 849	869	- 5,702
Other operating income / expenses	681	-	-	681
Profit / (loss) from operating activities (1)	**- 3,259**	**20**	**-**	**- 3,239**
Finance income	1,326	2,384	- 2,373	1,337
Finance costs	- 2,421	- 4,232	2,373	- 4,280
Profit / (loss) before income tax	**- 4,354**	**- 1,828**	**-**	**- 6,182**
Income tax expense	- 983	-	-	- 983
Net profit / (loss)	**- 5,337**	**- 1,828**	**-**	**- 7,165**
Other comprehensive loss	- 7	-	-	- 7
Total comprehensive (loss) Income, net of tax	**- 5,344**	**- 1,828**	**-**	**- 7,172**
EBITDA (Earnings before interest, tax, depr. and amort.) (1) - (2)	6,179	20	-	6,199
EBITDAX (Ebitda asjusted for exploration expeneses) (1) - (2) - (3)	7,082	20	-	7,102

For the 12-month period ended 31 December 2017:

Amounts in USD 1 000	**Colombia**	**Norway**	**Unall / Elimi**	**Group (continuing business)**
Total Revenue	16,602	659	- 659	16,602
Cost of goods sold ex depreciation	- 5,618	-	-	- 5,618
Depreciation oil and gas assets (2)	- 5,756	-	-	- 5,756
Gross profit	**5,228**	**659**	**- 659**	**5,228**
Exploration and evaluation cost expensed (3)	- 1,914	-	-	- 1,914
Administrative expense	- 4,019	- 870	659	- 4,230
Other operating income / expenses	- 206	- 400	-	- 606
Profit / (loss) from operating activities (1)	**- 911**	**- 611**	**-**	**- 1,522**
Finance income	1,625	1,491	- 2,465	651
Finance costs	- 3,762	- 2,711	2,465	- 4,008
Profit / (loss) before income tax	**- 3,048**	**- 1,831**	**-**	**- 4,879**
Income tax expense	- 825	-	-	- 825
Net profit / (loss)	**- 3,873**	**- 1,831**	**-**	**- 5,704**
Other comprehensive loss	- 10	25	-	15
Total comprehensive (loss) Income, net of tax	**- 3,883**	**- 1,806**	**-**	**- 5,689**
EBITDA (Earnings before interest, tax, depr. and amort.) (1) - (2)	4,845	- 611	-	4,234
EBITDAX (Ebitda asjusted for exploration expeneses) (1) - (2) - (3)	6,759	- 611	-	6,148

9.3 Consolidated statements of financial position

Set out below are the consolidated statements of financial position for the Group, for the periods indicated:

Amounts in USD 1000	As of 31 March 2020	As of 31 December 2019	As of 31 December 2018	As of 31 December 2017
ASSETS				
Non-current assets				
Propierty, plant and equipment	32,492	34,628	27,194	32,431
Other non-current assets	1,520	1,764	1,590	916
Total non-current assets	**34,012**	**36,392**	**28,784**	**33,347**
Current assets				
Inventories	560	847	606	480
Trade and other receivables	915	1,231	2,021	3,263
Cash and cash equivalents, non-restricted	3,014	3,043	4,057	3,688
Cash and cash equivalents, restricted	2,282	1,767	3,655	3,836
Total current assets	**6,771**	**6,888**	**10,339**	**11,267**
TOTAL ASSETS	**40,783**	**43,280**	**39,123**	**44,614**
EQUITY				
Share capital and share premium	159,144	142,095	129,135	129,135
Other paid- in equity	4,744	4,744	4,744	4,744
Retained earnings	-156,235	-155,346	-147,705	-140,533
Total equity	**7,653**	**-8,507**	**-13,826**	**-6,654**
LIABILITIES				
Non-current liabilities				
Borrowings	20,165	39,042	38,553	38,235
Deferred tax liability	1,310	870	1,614	2,500
Retirement benefit obligation	541	677	673	707
Provisions for othe liablities and charges	2,259	2,754	1,951	1,553
Total non-current liabilities	**24,275**	**43,343**	**42,791**	**42,995**
Current liabilities				
Borrowings/current interest-bearing liabilities	2,819	1,997	2,498	3,022
Trade and other payables	5,032	5,684	6,911	4,545
Income tax payables	282			
Provision for other liabilities and charges	722	763	749	706
Total current liabilities	**8,855**	**8,444**	**10,158**	**8,273**
TOTAL LIABILITIES	**33,130**	**51,787**	**52,949**	**51,268**
TOTAL EQUITY AND LIABILITIES	**40,783**	**43,280**	**39,123**	**44,614**

As of March 31, 2020, the Group held property, plant and equipment assets of USD 32.4 million, mainly related to oil production assets at the Puli-C block in Colombia and new acquisitions in Argentina, which are the Company's main producing blocks. The oil and gas production capacity of the assets during a quarter or year can be considered as actual production during that period. In practice, the assets produced at less than full capacity. Well productivity was the constraining factor.

9.4 Cash flow statements

Set out below are the consolidated cash flow statements for the Group for the periods indicated:

Amounts in USD 1000	For the 3 months period ended 31 March 2020	For the 3 months period ended 31 March 2019	As of 31 December 2019	As of 31 December 2018	As of 31 December 2017
Cash Generated from Operations					
Total Comprehensive Income of the Period	**-889**	**-1,660**	**-7,641**	**-7,172**	**-5,689**
Income tax expense		218		216	983
Depreciation, amortization and impairment	2,282	1,922	7,805	9,623	5,973
Share based payment and change in retirement	-	16	4	-35	1
Interest income	-2	-4	-21	-25	-87
interest expense	78	744	3,109	3,160	2,767
Unrealized exchange (gain)/loss from revaluation of borrowings	-	-	-53	-493	-115
Gain on sale of PP&E	-	-	-	-	-72
Other net financial expense	-	652	779	347	524
Impairment loss on PP&E			1,547		510
Changes in Assets & Liabilities					
Inventories	-287	-234	-241	-126	66
Trade and other receivables	-316	-1,127	790	1,241	-1,868
Trade and other Payables and provision for other liabilities	252	3,033	-535	1,078	754
Taxes paid	-	-	585	280	-
Net Cash generated in operating activities	**1,118**	**3,560**	**6,128**	**8,094**	**3,747**
Cash Flows From Investing Activities					
Purchase of PP&E	-146	-2,877	-4,786	-4,385	-5,917
Retirements ans sales of PP&E	-	-	-	-	1,334
Net Cash Used in Investing Activities	**-146**	**-2,877**	**-4,786**	**-4,385**	**-4,583**
Cash Flows from Financing activities					
Interest paid	-75	-1,117	-2,044	-2,496	-1,608
Repayment of borrowings	-138	-1,474	-1,021	-1,066	-8,107
Increase in non-current assets	-244	-	174	-	-
Proceeds from new loans	-	1,540	675	714	6,607
Changes in restricted and long term cash	-29	-	-1,014	-673	-
Net Cash used in financing activities	**-486**	**-1,051**	**-3,230**	**-3,521**	**-3,108**
Net (decrease)/increase in cash and cash equivalents	**486**	**-368**	**1,888**	**188**	**-3,944**
Cash and cash equivalents at beginning of the period	4,810	7,712	7,712	7,524	11,468
Cash and cash equivalents at end of the year	5,296	7,344	5,824	7,712	7,524
Whereof cash and cash equivalents, non-restricted	2,282	2,691	3,043	4,057	3,688
Whereof cash and cash equivalents, restricted	3,014	4,653	1,767	3,655	3,836

During the three months of 2020, the Group generated net operating cash flows of USD 1.2 million (USD 3.6 million – March 31 2019), the Company had financing cash outflows of USD 486,000 (USD –1.0 million – March 31 2019) and cash outflows from investing activities of USD 146,000 (USD 2.9 million – March 31 2019). During the same period, the Company repaid net debt of net USD 138,000 (USD -1.5 million – March 31, 2019) and paid interest of USD 75,000 (USD 1.1 million – March 31 2019). The Group had a net cash inflow of USD 486,000 (USD 368,000 cash outflow – March 31, 2019).

There has not been any significant changes to the Group's liquidity since the Q1 2020 financial report.

9.5 Changes in the consolidated shareholders' equity

Amounts in USD 1000	Share Capital and Share Premium	Other paid-in Equity	Retained Earnigs	Other Comprehensive	Total Equity
Balance at 31 December 2017	129,135	4,744	- 140,516	- 17	- 6,654
Total comprehensive income for the period-continuing operations	-	-	- 7,165		-
Comprehensive loss for the year				- 7	
Balance at 31 December 2018	129,135	4,744	- 147,681	- 24	- 13,826
Total comprehensive income for the period-continuing operations			- 7,641		- 7,641
Capital increase	12,960		-		12,960
Balance at 31 December 2019	142,095	4,744	- 155,322	- 24	- 8,507
Total comprehensive income for the period-continuing operations	-	-	- 889	-	- 889
Capital increase	17,049	-	-	-	17,049
Balance at 31 March 2020	159,144	4,744	- 156,211	- 24	7,653

9.6 Management discussion and analysis

9.6.1 First quarter 2020 (Unaudited)

Gross production increased by 23.6 % in Q1 2020 compared with the same period of last year, partly as a result of increased gas production in the Puli C field thanks to the work over campaign and start of oil production in Argentina. In addition, the average oil price decreased from USD 62/ boe in Q1 2019 to USD 49.6/boe in Q1 2020 with revenues decreasing from USD 3.97 million in Q1 2019 to USD 3.83 million in Q1 2020.

Interoil recorded a gross profit of USD -0.75 million in Q1 2020, lower from USD 0.388 million in Q1 2019. Exploration expenses increased from 23,000 to 0.2 million in Q1 2020 compared to Q1 2019. Administrative expenses have been maintained relatively stable from USD 0.9 in Q1 2019 to USD 0.78 million in Q1 2020 continuing the benefit of cost cutting programs.

Interoil recorded a net financial income of USD 1.45 million for Q1 2020, greater than the net financial loss of USD 0.95 million for Q1 2019. Income tax expense was USD 0.73 million for 1Q 2020 compared to USD 0.2 million in Q1 2019.

The Group reported a net loss for the quarter of USD 0.9 million, compared to the net loss for the Q1 2019 of USD 1.6 million.

Total assets decreased in Q1 2020 from Q4 2019, amounted to USD 40.7 million and USD 43.2 million, respectively. Current assets are mainly composed by restricted and non-restricted Cash and Cash equivalents totalizing USD 5.3 million of the total USD 6.7 million. Non-current assets are primarily composed by Property Plant and Equipment (PP&E) totalizing USD 32.5 million of the total USD 34 million. Moreover, near 90% or USD 28.2 million are Oil production assets while the remaining USD 4 million are other PP&E.

During the past months, Interoil successfully restructured and strengthened its balance sheet through conversion of bonds, approved by the General Meeting in January 2020. On December 30th 2019, the bondholder's approved the proposal for debt to equity conversion and maturity extension. As a result, and after the shareholders' approval to the terms of the transaction on January 16th, 35% of the outstanding bonds were converted into equity. The maturity of the remaining bonds has been extended 6 years until January 2026 and an interest rate was fixed at 7.5% p.a.

Cash and cash equivalents at end of the quarter was USD 5.3 million, of which USD 3 million was restricted relating to cash collaterals for guarantees and loans in Colombia.

Interoil's EBITDAx in Q1 2020 was USD 0.9 million, compared with a USD 0.9 in Q4 2019 and USD 1.4 in Q1 2019. Variation is related to a lower production, due to Mana and Vikingo natural decline and lower oil prices and the impact of assets impairment in Q4 2019. Depreciation increased from USD 1.9 million in Q1 2019 to USD 2.2 million in Q1 2020.

Interest-bearing debt decreased from the amount of USD 41.03 million at the end of Q1 2019 to the amount of USD 23.0 million at the end of Q1 2020. The USD 23.0 million in Q1 2020 includes the bond loan of USD 21.0 million, bank loans in Colombia of USD 1.5 million as well as 0.5 million other financial provisions.

Net cash generated from operating activities during the quarter was USD 1.1 million compared to USD 3.6 million in Q1 2019. This situation can be mainly explained by the changes in Assets & Liabilities in both quarters. During Q1 2019 the Company generated a positive cash flow of USD1.8 compared to a negative cash flow of USD 0.35 million.

Cash outflows from investing activities were USD 0.146 million in Q1 2020, compared to USD 2.9 million in Q1 2019. The investing activities are only related to PP&E investments, during Q1 2020 there were no relevant PP&E investments, this situation explains the variation between quarters.

Cash outflows from financing activities amounted to USD 0.47 million in Q1 2020 lower than USD 1.0 million during 1Q 2019. During the first quarter of 2020 interests related to the outstanding bond decrease due to the bond conversion to equity process approved on January 16th, 2020. Interests paid in amounted to USD 75,000 in Q1 2020 compared to USD 1.1 million in Q1 2019.

9.6.2 Full Year 2019

Average net working interest production decreased from 1,046 boepd in 2018 to 963 boepd in 2019[26]. In addition, the average oil price decreased from USD 66/boe in 2018 to USD 62/boe in 2019 with revenues decreasing from USD 21.3 million in 2018 to USD 17.1 million in 2019.

Interoil recorded a gross profit of USD 1.96 million in 2019 compared to the USD 2.6 million in 2018.

Exploration expenses came in at USD 0.96 million for 2019 and USD 0.90 million for 2018. Administrative expenses have been reduced from USD 5.7 million in 2018 to USD 3.6 million in 2019, reflecting the benefit of cost cutting programs.

Interoil recorded a net financial loss of USD 3.4 million for 2019, compared to net financial loss of USD 3.0 million for 2018.

Income tax expense was USD 0.2 million for 2019 compared to an expense of USD 1.0 million for 2018. The numbers including deferred income tax expense of USD 0.5 million, compared to USD 1.3 million in 2018, which primarily relates to the effect of changes in the exchange rate of nonmonetary assets and liabilities of entities whose functional currency is different from the local currency.

The Group reported a net loss for the year of USD 7.6 million, compared to the net loss for the year 2018 of USD 7.2 million.

Total equity for the Group as at 31 December 2019 amounted to USD -8.5 million, compared to USD -13.8 million as at 31 December 2018, this negative trend is caused by cumulative losses during the recent periods.

Total assets amounted to USD 43.2 million in 2019, compared to USD 39.1 million in 2018. This decrease results primarily from depreciation of property, plant and equipment.

Cash and cash equivalents at end of the year was USD 4.7 million, of which USD 3.0 million was restricted relating to cash collaterals for guarantees and loans in Colombia.

[26-15] New IFRS 15 requirements, from January 2018 requires partners participation not paid in kind to be recognized as revenue and cost separately (before net cost) this also effects comparability of net working production and sales figures with previous periods.

Interest-bearing debt remained stable in the amount of USD 41.0 million at the end of 2018 (USD 41.1 in 2018). The USD 41.0 million in 2019 includes the bond loan of USD 38.5 million and bank loans in Colombia of USD 2.5 million.

Net cash generated from operating activities was USD 6.1 million in 2019, compared to USD 8 million in 2018. This situation can be attributed to changes in net working capital in both years. During 2019 the Company changes in working capital generated a positive cash flow of USD 0.6 million compared to a positive cash flow of USD 2.6 million during 2018.

Cash outflows from investing activities were USD 4.8 million in 2019, compared to USD 4.4 million in 2018. The investing activities are mostly related to Oil and Gas production assets, during 2019 Interoil geochemistry service agreement with Fedmul for USD 2 million and the acquisition of transport equipment and well services for USD 2.8 million. During 2018, investments are mainly related to Vikingo well and facilities in LLA – 47 area for an amount of USD 2.1 million and USD 1.1. million, respectively.

Cash outflows from financing activities amounted to USD 3.2 million in 2019, which include net repayment of debt of USD 1 million and interest payments of USD 2 million. In 2018 the cash outflow was USD 3.7 million, which include net repayment of debt of USD 1 million and interest payments of USD 2.5 million.
EBITDA adjusted for exploration expenses and other non-recurrent items was USD 9.7 million in 2018 compared to USD 6.5 million in 2019. Depreciation and amortization decreased from USD 9.4 million in 2018 to USD 7.6 million in 2019.

9.6.3 Full year 2018

Average net working interest production increased from 1,019 boepd in 2017 to 1,048 boepd in 2018[27]. In addition, the average oil price increased from USD 51/boe in 2017 to USD 66/boe in 2018 with revenues growing from USD 16.6 million in 2017 to USD 21.3 million in 2018.

Interoil recorded a gross profit of USD 2.7 million for 2018, lower from USD 5.2 million in 2017.

Exploration expenses came in at USD 0.9 million for 2018 and USD 1.9 million for 2017. Administrative expenses have been reduced from USD 4.2 million in 2017 to USD 5.7 million in 2018 (excluding extraordinary COR6 legal fees expenses), reflecting the benefit of cost cutting programs.

Interoil recorded a net financial loss of USD 3.0 million for 2018, compared to net financial loss of USD 3.4 million for 2017.

Income tax expense was USD 1.0 million for 2018 compared to an expense of USD 0.8 million for 2017. The numbers include deferred income tax expense of USD 0.3 million, compared to a deferred income tax expense of USD 0.8 million in 2017, which primarily relates to the effect of changes in the exchange rate of non-monetary assets and liabilities of entities whose functional currency is different from the local currency.

The Group reported a net loss for the year of USD 7.2 million, compared to the net loss for the year 2017 of USD 5.7 million.

Total equity for the Group as at 31 December 2018 amounted to USD -13.8 million, compared to USD -6.7 million as at 31 December 2017, this negative trend is caused by cumulative losses during the recent periods.

Total assets amounted to USD 39,1 million in 2018, compared to USD 44,6. million in 2017. This decrease results primarily from depreciation of property, plant and equipment.

[27-15] New IFRS 15 requirements, from January 2018 requires partners participation not paid in kind to be recognized as revenue and cost separately (before net cost) this also effects comparability of net working production and sales figures with previous periods.

Cash and cash equivalents at end of the year was USD 9.3 million, of which USD 4 million was restricted relating to cash collaterals for guarantees and loans in Colombia.

Interest-bearing debt remained stable in the amount of USD 41.1 million at the end of 2018 (USD 41.3 in 2017). The USD 41.1 million in 2018 includes the bond loan of USD 38 million and bank loans in Colombia of USD 2.4 million.

Net cash generated from operating activities was USD 8.1 million in 2018 compared to USD 3.7 million in 2017. During 2018, net working capital variation generated USD 2.4 million compared to negative USD 1.0 million in 2017. In addition, during 2018 Interoil had Depreciation, Amortization, and Impairment of USD 9.6 million compared to USD 5.9 million.

Cash outflows from investing activities were USD 4.4 million in 2018, compared to USD 4.6 million in 2017 reflecting the activity in LL47. Investments during 2018 declined by USD 1.5 million compared to 2017. This situation was partially compensated in the cashflow by the Retirements and sales of PP&E for USD 1.3 million.

Cash outflows from financing activities amounted to USD 3.7 million in 2018, which include net repayment of debt of USD 1.1 million and interest payments of USD 2.5 million. In 2017 the cash outflow was USD 2.3 million, which include net repayment of debt of USD 8.1 million and interest payments of USD 1.6 million.

EBITDA adjusted for exploration and other non-recurring expenses was USD 9.7 million in 2018 compared to USD 6.1 million in 2017. Depreciation increased from USD 5.6 million in 2017 to USD 9.2 million in 2018.

9.6.4 Full year 2017

Average net working interest production increased from 1,011 boepd in 2016 to 1,019 boepd in 2017. In addition, the average oil price increased from USD 37/boe in 2016 to USD 51/boe in 2017 with revenues growing from USD 15.1 million in 2016 to USD 16.6 million in 2017.

Interoil recorded a gross profit of USD 5.2 million for 2017, up from USD 3.1 million in 2016.

Exploration expenses came in at USD 1.9 million for 2017 and USD 0.6 million for 2016. Administrative expenses have been reduced from USD 4.9 million in 2016 to USD 4.2 million in 2017, reflecting the benefit of cost cutting programs.

Interoil recorded a net financial loss of USD 3.4 million for 2017, compared to net financial loss of USD 3.2 million for 2016.

Income tax expense was USD 0.8 million for 2017 compared to an income tax income of USD 0.8 million for 2016. The numbers 2017 including deferred income tax expense of USD 0.8 million, compared to a deferred income tax credit of USD 2.1 million in 2016, which primarily relates to the effect of changes in the exchange rate of non-monetary assets and liabilities of entities whose functional currency is different from the local currency.

The Group reported a net loss for the year of USD 5.7 million, compared to the net loss for the year 2016 of USD 4.7.

Total assets amounted to USD 44.6 million, compared to USD 49.4. million in 2016. This decrease results primarily from depreciation of property, plant and equipment.

Cash and cash equivalents at end of the year was USD 8.4 million, of which USD 3.8 million was restricted relating to cash collaterals for guarantees and loans in Colombia.

EBITDA adjusted for exploration expenses was USD 6.1 million in 2017 compared to USD 4.5 million in 2016. Depreciation decreased from USD 6.2 million in 2016 to USD 5.8 million in 2017.

Interest-bearing debt remained stable in the amount of USD 41.3 million at the end of 2016 and 2017. The USD 41.3 million in 2017 includes the bond loan of USD 37.5 million and bank loans in Colombia of USD 3.7 million.

Net cash generated from operating activities was USD 3.7 million in 2017 compared to USD 2.7 million in 2016. Although Interoil showed a negative Comprehensive Income of USD 5.6 million, the negative result was compensated by depreciation, amortization and impairment charges for USD 6.5 million as well as interests expense during the year for USD 2.7 million.

Cash outflows from investing activities were USD 4.6 million in 2017, compared to USD 1.1 million in 2016 reflecting the drilling activity in LL47. During 2017, the main PP&E investments were related to a Gas plant project of USD 1,4 million and the drilling of Vikingo well for USD 2.99 million, respectively.

Cash outflows from financing activities amounted to USD 3.1 million in 2017, which include net repayment of debt of USD 1.5 million and interest payments of USD 1.6 million. In 2016 the cash outflow was USD 5.7 million, which include net repayment of debt of USD 5.1 million and interest payments of USD 0.6 million.

9.7 Investments

9.7.1 Historical investments

The table below gives an overview of investments made since 1 January 2016 and up until the date of this Prospectus. The investments are mainly connected to the acquisition of assets, drilling of wells, development of assets and expenditures for office and production facilities to develop and produce the reserves and resources described in section 6.8. The investments are represented as capital expenditures in the financial statements.

Amounts in USD 1000	2020	2019	2018	2017
Investing activities				
Purchase of PP&E	1,146	16,786	4,385	5,917
Total investing activities	**1,146**	**16,786**	**4,385**	**5,917**

9.7.2 2020

The main investment during the period from 31 December 2019 and to the date of this Prospectus is USD 1 million paid in shares of the Company in consideration for the acquisition of the Santa Cruz Concessions. There were no other relevant investments as of the date of this Prospectus.

9.7.3 Full year 2019

During the twelve months of 2019 the most relevant investment can be attributed to the acquisition of majority investments in three licenses for an amount of USD 13 million mainly paid with equity. In addition, during 2019. other investments were related to a geochemistry service agreement with Fedmul for USD 2 million and the acquisition of transport equipment and well services for USD 2.8 million.

9.7.4 Full year 2018

Investments made during this year were mainly related to the Vikingo well in LLA-47 area USD 2.1 million, the facilities in Vikingo for USD 1.1 million, and gas plant project for USD 0.7 million.

9.7.5 Full year 2017

Main investments made during 2017 were related to gas plant project for USD 1.4 million, the drilling of Turaco well in Altair area totalling USD 0.57 million and Vikingo well in LLA-47 area USD 2.99 million, in addition to sale and leaseback of the office in Bogota.

9.8 Principal investments in progress

The Company is evaluating the possibility of installing a gas plant in the Mana field. The investment related to the gas plant acquisition and commissioning has been USD 2.0 million. The gas plant is currently in Houston, commissioning is being finalized. The environmental licenses upgrades for the gas treatment facility have been approved by the ANLA (National Environmental Agency). However the effects of the Covid-19 pandemic and its impact on the industry have caused delays in the timing of the installation of such facility. In light of the foregoing the Company has been assessing the development of market recovery and working on possible structures to facilitate progress in a manner as economically efficient as possible. In the meantime, and save for a temporary suspension decided by Turgas due to systems safety problems, the Company has continued to supply gas to Turgas under the existing contract. Given the market conditions the Company has evaluated alternatives to the project with the view of maximizing efficiencies. In this connection the Company has recently approved the sale of the plant for an amount of USD 2.0 million. This approval does not entail an abandonment of the gas treatment project although a new plant will need to be set up at site. The Company shall assess alternatives and timing considering development of market conditions.

Other investments in 2020 will be put on hold until the market stabilizes.

Principal future investments

The Group has investment commitments on the LLA-47 exploration license in Colombia, of between approximately USD 22.5 million and USD 27 million, from October 2016 until February 2022. This is in relation to drilling of 9 wells each costing approximately USD 2.5 million up to approximately USD 3 million. As at the date of this Prospectus, in respect of the LLA47 licence, the Group has invested: i) USD$14.02 million on 3D seismic acquisition, processing and interpretation of 350KM2; and ii) USD$5.45 million on drilling, completion and testing of the Vikingo exploration well. As of the date of this Prospectus 9 wells are pending for an estimated investment amount between USD 22.5 million and USD 27 million.

At Altair, Interoil was obliged to drill two wells by August 2019, of which wells one has already been drilled. The obligation to drill the remaining well was subsequently postponed due to force majeure events until February 2020 and recently delayed until April 2021, in the context of the Covid-19 pandemic and pursuant to a resolution of the ANH made under the Agreement 002/2020 (*Acuerdo 002/2020*). The estimated costs for the next well are between USD 3 million and USD 3.5 million. The pending well has been scheduled to accommodate for the dry season to reduce infrastructure cost.

These investments will be financed by operations and available cash, additional financing including debt facilities and/or possible farm-in opportunities.

At the Mata Magallanes Oeste block there is a commitment of two workovers per semester until reaching twelve and one appraisal well before 2025.

At the Cañadon Ramirez block there is still one exploration well to be completed before 2024.

At La Brea block there are no pending commitments as of the date of this Prospectus.

At the five Santa Cruz concessions the Company has compromised to complete and test the CLi-x1001 well (Campo Límite) plus another exploration well.

9.9 Significant changes after 31 March 2020

Other than as set out below, there have been no significant changes in the financial or trading position of the Group, or in the financial performance of the Group, following 31 March 2020:

- On April 3 2020 Interoil received a notification from Turgas, our sole gas off-taker for the Mana and Ambrosia fields, that excess pressure was building in some points of main trunk line and that as a result, the access valve for our gas has been closed until pressure returns to safe levels. This forced Interoil to shut in all producing wells in those fields, affecting not only gas but also oil production. On May 5 2020, Turgas notified Interoil that it would resume gas off-takings and Interoil restarted its deliveries accordingly.
- On April 7, 2020, the ANH issued Agreement 002/2020 (Acuerdo 002/2020) setting forth a framework of measures aimed at mitigating the impact of the emergency on companies with contracts with the ANH, including the extension of terms for exploration activities and the transfer of commitments between contracts with the ANH, among others. The Company applied for an extension of terms of 12 months both for Altair and LLA-47. The ANH granted to the Company the extensions as requested for both Altair and LLA-47.
- During the months of April, May and June 2020 Interoil Colombia made a significant restructuring of personnel, operation and services aimed at reducing costs during the emergency.
- During April, May and June 2020 Interoil Argentina reassessed all operations in Argentina with view of bringing efficiency in the operations and reducing costs impact during the emergency, at the same time maintaining production whenever economically convenient.
- On May 5 2020, Interoil decided to temporarily close production at Vikingo as it was not economically viable with the prevailing oil price. Production at Vikingo was resumed in July 2020.
- On May 26 2020, the Company has agreed on a new credit line facility worth USD 1.8 million and with a term of 19 months.
- Oil Production in Santa Cruz Argentina has been stopped due to lack of demand and prices enabling recovery of extraction costs. The Company is monitoring changes in market conditions to resume production as promptly as economically viable

9.10 Trend information

By March 31 2020, the Group's oil working interest production from continuing operations (Colombia) increase on average by 23.5% year on year to 991 boe/day[23]. Production of gas increase as well by 68.4% during the same period and sales of gas have decreased accordingly. Since 2014, oil prices declined to an absolute minimum in the beginning of 2016 and since then prices have recovered up to a level above USD 70 bbl during 2018. During the last twelve months the increase in working interest production can be mainly attributed to a relevant increase in gas production in Colombia. During the 3 months period ended March 31 2020, revenues from continuing operations were 7.9% lower compared with same period of 2019 due to lower oil prices.

Since March 31, 2020 until the date of this prospectus Brent oil price recovered from USD 22.7 and is currently trading at values above USD 40. However, current prices are still below the average Oil price for 1Q 2020 of USD 49.6. Please note, it is not possible for the Company to confidently assess the potential consequences of the COVID-19 and the significant drop in oil prices on the valuation of assets, as this would depend on factors such as how long the current crisis is expected to last and also in terms of potential impact on the Company's operations.

Besides the COVID-19, the Company does not know of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.

9.11 Capitalization and indebtedness

9.11.1 Statement of capitalization and indebtedness

The table below discloses the Group's consolidated capitalization and indebtedness as at 31 March 2020:

Capitalization and indebtedness Amounts in USD 1 000	As of 31 March . 2020
Current debt	
Guaranteed	-
Secured (1)	1,296
Unguaranteed/Unsecured (2)	7,559
Total current debt	8,855
Non - current debt	
Guaranteed	-
Secured (1)(2)	20,165
Unguaranteed/Unsecured	4,110
Total non - current debt	24,275
Shareholder´s equity	
Share capital and share premium	159,144
Other paid-in equity	4,744
Retained earnings	- 156,235
Total equity	7,653
Total capitalization and indebtedness	40,783

(1) The secured debt consists of a Senior Secured Bond Loan USD 20.9 million (2019: USD 38.4 million) with a pledge over the shares of UP Colombia Holding AS, a bank loan USD 1.5 million (2019: USD 2.0 million) secured with a USD 1 million cash collateral.

As approved by the Bondholders on 30 December 2019 and by Shareholders of the Company in the EGM held on 16 January 2020, 35 per cent of the Bonds then outstanding principal amount plus their respective accrued interest as at January 15th, 2020, were converted to equity through the issuance and transfer to the Bond Trustee of the Bond Conversion Shares, and the maturity date for the remaining Bonds was extended by six years to 2026 and interest rate fixed at 7.5% payable semi-annually in arrears every January 31st and July 31st.

(2) Include leaseback of the office in Bogota. The Colombian branch has a leasing contract with Banco de Occidente for the offices in Bogota. The office was bought in 2016, sold to Banco de Occidente and leased back in 2017.

This Table excludes non-interest-bearing liabilities like trade payables, tax liabilities and retirement benefit obligations for USD 7.16 million (2019: 7.2 million).There has been no material change since 31 March 2020. The Company also has indirect or contingent indebtedness of USD 4 million related to tax litigation procedures in Colombia. Please see Section 13.2 for more details.

The table below discloses the Group's consolidated net indebtedness in the short and medium to long term:

Amounts in USD 1 000	As of 31 March . 2020
A. Cash	5,296
B. Cash equivalent (Detail)	-
C. Trading securities	-
D. liquidity (A) + (B)+ (C)	**5,296**
E. (Current Financial Receivable)	**915**
F. Current Bank debt	1,523
G. Current portion of non current debt	-
H. Other current Financial debt - inclusive bond	1,296
I. Current Financial Debt (F)+(G)+(H)	**2,819**
J Net Current Financial Indebtedness (I)-(E)-(D)	**- 3,392**
K. Non current Bank Loans	478
L. Bonds Issued	19,687
M. Other non current loans	-
N. Non Current Financial Indebtedness (K)+(L)+(M)	**20,165**
O. Net Financial Indebtedness (J)+(N)	**16,773**

The table below displays the repayment schedule for the Company's borrowings:

Amounts in USD 1 000	2020	2021	2022	2023	2024	2025	2026
Secured loans Colombia *	1,523						
Leasing Bogotá Office	127	127	127	97	-	-	-
Bond loan	1,296	1,589	1,428	1,282	1,155	1,034	13,199
Total	**2,946**	**1,716**	**1,555**	**1,379**	**1,155**	**1,034**	**13,199**

As of 31 March 2020 the Group has bank deposits of USD 5.2 million (December 2019: USD 4.8 million) of which USD 3 million is classified as restricted (December 2019: USD 3 million). USD 1 million is a collateral for the short-term debt in Colombia, and most of the remaining amount is cash collateral for guarantees in Colombia. Bank deposits are mainly denominated in USD, NOK and COP. There are no material legal or economic restrictions on the ability to transfer funds within the Group in the form of cash dividends, loans, or advances.

The Company has no unused credit facilities, other than the Credit Line Agreement.

The interest coverage ratio (based on Adjusted EBITDA – adjusted for exploration expenses of the last twelve month ending as of 31 March 31, 2020 is 1.21 (Year 2019: 1.25), and the equity ratio as of 31 March 31, 2020 is negative 18.8% (Year 2019 negative 19.7%) which is below the Group's objectives for managing capital.

As of the date of the Prospectus, the Group has restricted cash of USD 3 million. In addition, the Group has approximately USD 2.2 million of cash on hand.

9.12 Hedging

The Group did not hold any financial instruments for hedging purposes during 2019 or as of March 31, 2020, and does not hold any at the date of this Prospectus.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to Shareholders, return capital to Shareholders or issue Shares. The Group can, due to covenants in loan agreements, currently not pay a dividend or purchase own shares. The Group is continuously evaluating the capital structure with the aim of having an optimal mix of equity and debt capital to reduce the Group's cost of capital and is monitoring the capital on the basis of its book equity ratio. The Company's excess funds will be used to make repayments on the bond loan.

9.13 Borrowing requirements and funding structure

9.13.1 Bank loan Colombia

Interoil Colombia -Colombian branch- has, as at 31 March 2020, USD 1.5 millions of short-term debt (for renewable annual periods) raised through Banco de Occidente (December 2019: as USD 1.99) which loan is secured with a USD 1 million cash collateral. This loan was extended in November 2019 until November 2020. The interest rate is IBR + 4 -4.5 %. IBR stands for a fixed term deposit, and is calculated as the weighted averages of the interest rates on Certificates of Deposits offered by Colombian banks and financial institutions. As at 31 March 2020, the IBR rate was 3.67%.

9.13.2 Prepaid oil sales

In December 2018 the Colombian branch and Goam 1 CI S.A.S, a BP-company, have entered into a pre-sales agreement with an aggregate price of USD 1,5 million. Crude will be delivered over the next 6 months, with an average daily delivery estimated to 400 bbls based in Brent Price.

As of the date of this prospect there are no prepaid sales.

9.13.3 Senior Secured Bond Loan (ISIN NO 0010729908):

A bondholder meeting held on 20 January 2015, approved a full refinancing of the old bond loan with ISIN NO 001 0584683. Interoil is in compliance with the covenants in the Senior Secured Bond Loan.

Interoil may redeem the bonds issued in the Senior Secured Bond Loan in whole or in part (on a pro rata basis) at any time from and including:the settlement date in January 2015 to, but not including, the Maturity date in January 2020 at a price equal to 105 % plus accrued interest on redeemed amount.

All bonds, including but not limited to interests and expenses, are secured by:

- a first priority pledge over the shares (100 %) held by Interoil in UP Colombia Holding AS;
- unconditional and irrevocable guarantee from UP Colombia Holding AS;
- a first priority assignment of Interoil's rights and receivables under intercompany loans made to any of its subsidiaries.

The loan agreement for the Senior Secured Bond Loan contains customary provisions with respect to matters such as covenants related to preservation of equity, security interst, restrictions on financial indebtedness, creation of security and provision of financial support, as well as covenants related to the hydrocarbon resources of Interoil.

The new bond loan had a maturity date on 22 January 2020. The bond loan shall be repaid at the final maturity date at 100 % of par value, plus accrued and unpaid interest. The bonds have a nominal value of USD 1, and carried a fixed rate interest of 6,0 % payable semi-annually in arrears. The issuer may make the interest payment in kind (PIK) up to the interest payment date in January 2017. The PIK interest was capitalised at an effective rate of interest of 8,0% per annum. As of December 31, 2019 the bond loan value including accrued interest was USD 38.4 million.

In December 2019, Interoil announced plans to strengthen its balance sheet through a debt to equity conversion and an amendment to the terms and conditions of the non capitalized Bonds. The plan was approved by Bondholders on 30th December 2019 and by the shareholders of the Company at the EGM held on 16 January 2020. The approval rate was above 90% in both meetings.

As part of this plan, 35 per cent of the Senior Secured Bond Loan's outstanding principal amount plus its respective accrued interest as at January 15th, 2020 was converted to equity of the Company, and the maturity date for the remaining bonds issued under the Senior Secured Bond Loan was extended by six years to 2026 and the interest rate fixed at 7.5%, payable semi-annually in arrears on January 31st and July 31st of each year.

On 23 January 2020 the conversion of the bonds was settled by issuing 56,193,478 new shares of the Company (Bond Conversion Shares).

9.13.4 Credit Line Agreement

At the date of this Prospectus, the Company has entered into a Credit Line Agreement that provides the Company with a credit facility for working capital purposes of up to an amount of USD 1,800,000 at any time outstanding until December 31st 2021.

9.14 Working capital statement

In the Company's opinion, the working capital available to the Group is sufficient for the Group's present requirements for the next 12 months.

9.15 Transactions with related parties

The related parties of the Group are comprised of subsidiaries and members of the Board of Directors and key employees. Other related parties are defined by their ability, directly or indirectly, to control the other party or exercise significant influence over the other party in the decision making process. Furthermore, parties under common control or common significant influence are defined as related. All transactions between the related parties are based on the principle of "arm's length" (estimated market value).

Remuneration to board members and management, in addition to consultancy agreements are described in group note 5 and 11 of the Annual Report for 2019. Transactions with subsidiaries are mentioned in parent company note 10 and, in the paragraph, below, whilst the table below gives an overview.

As of March 31, 2020, intercompany receivables of USD 33.7 million (December 31, 2019: USD 33.6 million) were tested for impairment. As of March 2020, 2019, 2018 and 2017, no impairment charges were recognized at year end. The majority of the intercompany receivables as of 31 March 2020 was related to a receivable of USD 18.7 million (December 2019: USD 18.4 million) most of the period on period increase being related to interest.

Non-current Intercompany receivables **Amounts in USD 1 000**	**As of 31 March 2020**	**As of 31 December 2019**	**As of 31 December 2018**	**As of 31 Dec. 2017**
	(unaudited)	(Audited)	(Audited)	(Audited)
Interoil Colombia Exploration and production Inc - Branch	-	-	-	-
Interoil Colombia Exploration and production Inc.	2,012	2,249	925	617
UP Colombia SAS Hoilding	18,715	18,380	19,980	21,134
Interoil Peru Holding AS	- 4	- 4	- 7	
Interoil Argentina AS	13,001	13,000	-	-
Total	33,724	33,625	20,898	21,751

For information on related party transaction, reference is made to group note 11 and 12 and also parent company note 11 in the annual reports. Consultancy contracts with board members and management are described in note 11. The Company has not entered into any related party transactions since 31 December 2019 and up to the date of this Prospectus.

9.16 The Company's auditor

PricewaterhouseCoopers AS, with business registration number 987 009 713, and registered address at Dronning Eufemias gate 8, N-0191 Oslo, Norway, is the Company's auditor. PricewaterhouseCoopers AS is a member of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants). PricewaterhouseCoopers AS has audited the Company's annual accounts for the financial years ended 31 December 2019, 2018 and 2017, and their auditor's reports are included in the annual reports incorporated by reference in this Prospectus (see section 15.2). PricewaterhouseCoopers has not audited any other information contained in this Prospectus.

10. CORPORATE INFORMATION AND DESCRIPTION OF SHARE CAPITAL

10.1 Corporate information

The Company with registered name Interoil Exploration & Production ASA is a public limited company incorporated in Norway on 2 May 2005 in accordance with the Norwegian Public Limited Companies Act and operates pursuant to the Norwegian Public Limited Companies Act. The Company is registered with the Norwegian Register of Business Enterprises under the organisation number 988 247 006 and has its registered office in the municipality of Oslo. The Company's Shares are registered in VPS under ISIN NO 0010284318. The Company's account manager is DNB NOR Bank ASA, Verdipapirservice, Dronning Eufemias gate 30, 0191 Oslo, Norway.

The Company has the following contact details:

Business address:
Interoil Exploration & Production ASA
c/o Advokatfirmaet Schjødt AS
Ruseløkkveien 14
N-0251 OSLO
Norway

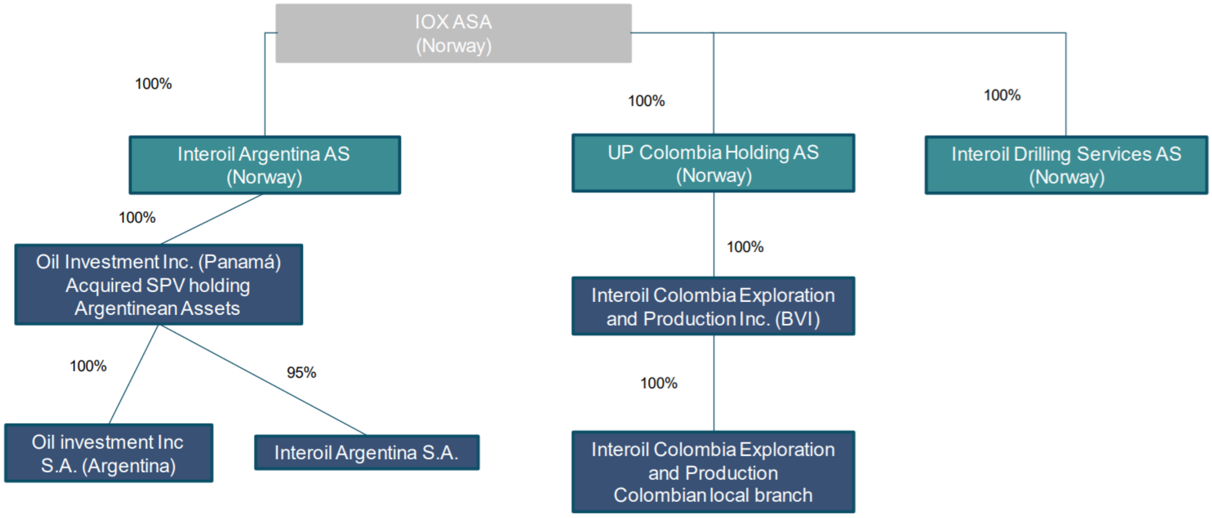
Postal address:
Interoil Exploration & Production ASA
c/o Advokatfirmaet Schjødt AS
P.O. Box 2444 Solli
N-0201 OSLO
Norway

Telephone: +47 6751 8650
Fax: +47 6751 8660
E-mail: info@interoil.no
Website: www.interoil.no

10.2 Legal structure

The table below sets out the Company's subsidiaries (being all of the entities in the Company's group) and the structure diagram below shows the Company's corporate structure, as at the date of the Prospectus. Interoil Exploration and Production ASA is the parent company of the Group consisting of a total of 8 companies and two operative companies.

Company	Country of incorporation	Direct and indirect shareholding and voting rights
UP Colombia Holding AS	Norway	100%
Interoil Argentina AS	Norway	100%
Interoil Colombia Exploration and Production Inc. (Branch office)	Colombia	100%
Interoil Colombia Exploration and Production Inc.	The British Virgin Islands	100%
Oil Investment Inc.	Panama	100%
Interoil Argentina S.A.	Argentina	100%
Interoil Drilling Services AS	Norway	100%
Interoil Drilling Services Ltd.	BVI	100%



10.3 Current share capital and Shares

The Company's registered share capital is NOK 78,556,755.50 consisting of 157,113,511 Shares each with a nominal value of NOK 0.50 fully paid and issued in accordance with the Norwegian Public Limited Companies Act.

The Shares of the Company are listed on Oslo Børs, except for the Bond Conversion Shares. All issued Shares are vested with equal shareholder rights in all respects. There is only one class of Shares and all Shares are freely transferable.

The registrar for the Shares is DNB Bank ASA, Verdipapirservice, Dronning Eufemias gate 30, 0191 Oslo, Norway.

10.4 Outstanding authorisations

Pursuant to resolution by the Company's Annual General Meeting on 30 June 2020, the Board of Directors is authorized to increase Interoil's share capital by up to a total amount of NOK 39,278,377. The authorization may be used for i) consideration in acquisitions and strategic investments, ii) capital increases done to provide financing for the Company's business; and/or other share capital increases which are considered by the Board of Directors to be in the Company's best interest. The Board may derogate from the shareholders' pre-emptive rights pursuant to the Norwegian Public Limited Liability Companies Act Section 10-4. The authorisation comprises capital increases by contributions in kind or with rights to charge the Company with special obligations, as well as share capital increases in connection with mergers, and may be used one or more times. The authorization is valid until the Annual General Meeting of Interoil in 2021, but no longer than until 30 June 2021. The subscription price in share issuances shall be determined by the Board in connection with each issuance.

10.5 Share capital development in the last three financial years

The following table shows the Company's share capital development from 31 December 2016 up until the date of the Prospectus.

Date of registration	Type of change in share capital	Number of shares after change	Par value (NOK)	Subscription price (NOK)	Share capital after change (NOK)
31.12.2016	**Closing balance**	**64,690,315**	**0.50**		**32,345,157.00**
31.12.2017	**Closing balance**	**64,690,315**	**0.50**		**32,345,157.00**
31.12.2018	**Closing balance**	**64,690,315**	**0.50**		**32,345,157.00**
04.06.2019	**Share capital increase**	**86,912,166**	**0.50**	**3.55**	**43,456,083.00**
19.07.2019	**Share capital increase**	**94,266,720**	**0.50**		**47,133,360.00**
28.10.2019	**Share capital increase**	**96,874,494**	**0.50**	**3.305**	**48,437,247.00**
31.12.2019	**Closing balance**	**96,874,494**	**0.50**		**48,437,247.00**
20.01.2020	**Share capital increase**	**153,067,972**	**0.50**	**2.128**	**76,533,986.00**
02.04.2020	**Share capital increase**	**157,113,511**	**0.50**	**2.195**	**78,556,755.50**
Date of prospectus		**157,113,511**	**0.50**		**78,556,755.50**

10.6 Shareholder structure and major Shareholders

The table below shows the 20 largest shareholders of Interoil as at 21 August 2020.

#	Shareholders	Number of Shares	Percent
1	CLEARSTREAM BANKING S.A.*	20,719,081	13.19
2	GENIPABU INVESTMENTS LLC	19,654,960	12.51
3	Integra Oil and Gas S.A	10,351,741	6.59
4	SIX SIS AG*	9,852,702	6.27
5	Magnus Capital S.A	8,195,583	5.22
6	International Capital Markets Grou	7,394,102	4.71
7	MP PENSJON PK	4,758,323	3.03
8	Roch SA	4,045,539	2.57
9	Euroclear Bank S.A./N.V.*	3,647,212	2.32
10	Brie International Development Cor	2,957,641	1.88
11	Nordnet Bank AB*	2,617,323	1.67
12	The Bank of New York Mellon*	2,610,105	1.66
13	NORTH ENERGY ASA	1,869,339	1.19
14	S FJORD INVEST AS	1,800,000	1.15
15	NORDNET LIVSFORSIKRING AS	1,704,584	1.08
16	MEYERLØKKA AS	1,370,000	0.87
17	WIGGEN CONSULT AS	1,296,159	0.82
18	JON WIGGEN	1,082,998	0.69
19	Danske Bank A/S*	987,647	0.63
20	TERJE OLSEN	840,000	0.53

**shares held through a nominee account*

Each Share represents one vote in the Company's General Meeting, and none of the Company's major Shareholders have different voting rights (see section 11 below for further details). The major Shareholders of the Company are defined as holding more than 5 per cent of the share capital.

Shareholders owning five per cent or more of the Company have a notifiable interest in the Company's share capital according to the Norwegian Securities Trading Act.

At the date of this Prospectus, the Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

The Company is not aware of persons or entities who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

10.7 Treasury Shares

As of the date of this Prospectus, the Company does not own any treasury shares.

10.8 Dividends

10.8.1 Dividend policy

The Company has been and still is in a phase involving considerable investments. The Company has a high focus on value creation and will have a dividend policy that will preserve the interests of the Company and its shareholders.

Interoil will strive to follow a dividend policy favourable to shareholders. This will be achieved by sound development and continuous growth. The Company aims to give shareholders a competitive return on capital relative to the underlying risk. Interoil's existing dividend policy is to retain earnings in order to maintain a sound equity ratio, liquidity reserve and secure funding of product development projects. Due to this Interoil does not anticipate paying cash dividends on a regular basis in the foreseeable future. The payment of future dividends will, among other things, depend on the Group's earnings, financial condition, investment requirements and rate of growth.

Interoil did not pay any dividends in the last three financial years.

10.8.2 Legal constraints on distribution of dividends

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Companies Act provides several constraints on the distribution of dividends:

- Pursuant to Section 8-1 of the Norwegian Public Limited Liability Companies Act the Company may only distribute dividend to the extent that the Company's net assets following the distribution covers (i) the Company's share capital, (ii) the reserve for valuation differences and (iii) the reserve for unrealized gains. In the amount that may be distributed, a deduction shall be made for the aggregate nominal value of treasury shares that the Company has purchased for ownership or as security before the balance day. It shall also be made a deduction for credit and collateral etc. according to Sections 8-7 to 8- 10 from before the balance day which after these provisions shall lie within the scope of the funds the Company may distribute as dividend. It shall however not be made a deduction for credit and collateral etc. that is reimbursed or settled before the time of decision, or credit to a shareholder to the extent that the credit is settled by a netting in the dividend.
- The calculation of the distributable equity shall be made on the basis of the balance sheet in the approved annual accounts for the last fiscal year, however so that the registered share capital as of the date of the resolution to distribute dividend shall apply. Following the approval of the annual accounts for the last fiscal year, the General Meeting may also authorise the Board of Directors to declare dividend on the basis of the Company's annual accounts.
- Dividend may also be distributed by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.
- Dividend may only be distributed to the extent that the Company after the distribution has a sound equity and liquidity.

The amounts of dividends the Company may distribute are calculated on the basis of the parent Company's financial statements.

According to the Norwegian Public Limited Companies Act, there is no time limit after which entitlement to dividends lapses. Further, said Act contains no dividend restrictions or specific procedures for non-Norwegian resident shareholders. For a description of withholding tax on dividends that is applicable to non-Norwegian residents, see Section 12.

10.9 Warrants and other rights to acquire Shares

The Company has not issued any warrants or other rights to acquire Shares.

10.10 Shareholder agreements and share options

The Company is not aware of any shareholder agreements between shareholders of the Company and the Company is not aware of any option agreements in respect of the capital of the Company.

10.11 Overview of disclosed information over the last 12 months relevant as at the date of this Prospectus

The Company has, during the last 12 months, i.a. made the following public disclosures under section 5-2 of the Norwegian Securities Trading Act:

- On 19 August 2020, the Company announced that it had been granted an extension of 12 months for the LLA47 and the Altair exploration licenses respectively.
- On 30 July 2020, the Company announced that bondholders had approved the Company's proposed amendments relating to the payment terms for interests under the Company's senior secured bond with ISIN NO 0010729908
- On 27 July 2020, the Company announced that operations at Vikingo had been resumed
- On 17 July 2020, the Company announced the appointment of Francisco Vozza as new general manager of Interoil
- On 16 July 2020, the Company announced that it had summoned a written resolution with proposed amendments to certain payment terms for interests under the Company's senior secured bond with ISIN NO 0010729908
- On 14 July 2020, the Company announced its production report for June 2020
- On 13 June 2020, the Company announced its production report for May 2020
- On 18 May 2020, the Company announced its production report for April 2020
- On 16 April 2020, the Company announced its production report for March 2020 together with an operational update
- On 15 March 2020, the Company announced its production report for February 2020
- On 20 January 2020, the Company announced the completion of a well in Argentina
- On 16 January 2020, the Company published the minutes from the extraordinary general meeting of the Company held on the same date
- On 13 January 2020, the Company announced its production report for December 2019
- On 11 January 2020, the Company announced the acquisition of exploitation concessions in Argentina
- On 30 December 2019, the Company announced that bondholders had approved the proposed amendments to the Company's senior secured bond with ISIN NO 0010729908
- On 11 December 2019, the Company announced that it had summoned bondholders in its senior secured bond with ISIN NO 0010729908 to a bondholders' meeting on 30 December 2019 to consider conversion of 35 % of the outstanding principal amount to equity and extension of the maturity date for the remaining bonds
- On 10 December 2019, the Company announced its production report for November 2019
- On 11 November 2019, the Company announced its production report for October 2019
- On 11 October 2019, the Company announced its production report for September 2019
- On 10 September 2019, the Company announced its production report for August 2019
- On 13 August 2019, the Company announced its production report for July 2019
- On 24 July 2019, the Company announced that it had paid interest related to a bond issued in January 2015.

The Company has, during the last 12 months, made i.a. the following disclosures relating to its annual and interim financial reports:

- On 12 June 2020, the Company announced its Q1 2020 report
- On 5 June 2020, the Company announced its annual report for 2019 and its annual statement of reserves
- On 27 February 2020, the Company announced its Q4 2019 report
- On 5 December 2019, the Company announced a correction to its Q3 2019 report

- On 29 November 2019, the Company announced its Q3 2019 report
- On 30 August 2019, the Company announced its Q2 2019 report

11. SHAREHOLDER MATTERS AND NORWEGIAN COMPANY AND SECURITIES LAW

11.1 General meetings

Under Norwegian law, a company's shareholders exercise supreme authority in the company through the general meeting.

A shareholder may attend the general meeting either in person or by proxy. Interoil has included a proxy form with summons to general meetings.

In accordance with Norwegian law, the annual general meeting of Interoil's shareholders is required to be held each year on or prior to 30 June. The following business must be transacted and decided at the Company's annual general meeting:

- Approval of the annual accounts and annual report, including the distribution of any dividend.
- Election of the Board of Directors.
- Any other business to be transacted at the general meeting by law or in accordance with Interoil's Articles of Association.

Norwegian law requires that written notice of general meetings is sent to all shareholders whose addresses are known at least three weeks prior to the date of the meeting, unless a company's articles of association stipulate a longer period. The Company's Articles do not include any such provision. The notice must set forth the time and date of the meeting and specify the agenda of the meeting. It must also name the person appointed by the Board of Directors to open the meeting.

A Shareholder is entitled to have an issue discussed at a general meeting if such Shareholder provides the Board of Directors with notice of the issue so that it can be included in the written notice of the general meeting.

In addition to the Company's annual general meeting, extraordinary general meetings of Shareholders may be held if deemed necessary by Interoil's Board of Directors. An extraordinary general meeting must also be convened for the consideration of specific matters at the written request of Interoil's auditors or Shareholders representing a total of at least 5 per cent of the share capital.

11.2 Voting rights

Unless a company's articles of association say otherwise, Norwegian law provides that each outstanding share shall represent a right to one vote. All of Interoil's Shares have an equal right to vote at general meetings. No voting rights can be exercised with respect to any treasury Shares held by a company.

In general, decisions that shareholders are entitled to make under Norwegian law or Interoil's Articles of Association may be made by a simple majority of the votes cast. In the case of elections, the persons who obtain the most votes cast are elected. However, certain decisions, including, but not limited to, resolutions to:

- Increase or reduce Interoil's share capital;
- Waive preferential rights in connection with any share issue;
- Approve a merger or demerger; or
- Amend Interoil's Articles of Association

must receive the approval of at least two-thirds of the aggregate number of votes cast at the general meeting at which any such action is before the Shareholders for approval, as well as at least two thirds of the share capital represented at the meeting. There are no quorum requirements for general meetings.

In general, in order to be entitled to vote, a Shareholder must be registered as the owner of Shares in the share register kept by the Norwegian Central Securities Depository, VPS, or, alternatively, report and show evidence of the Shareholder's Share acquisition to Interoil prior to the general meeting. Under Norwegian law, a beneficial owner of shares registered through a VPS-registered nominee is probably not able to vote for the beneficial owner's shares unless ownership is re- registered in the name of the beneficial owner prior to the relevant general meeting. Consequently, Interoil cannot guarantee that beneficial owners of the Shares will receive the notice for a general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners.

11.3 Amendments to Interoil's Articles of Association

The affirmative vote of two-thirds of the votes cast at a general meeting as well as at least two- thirds of the share capital represented at the meeting is required to amend Interoil's Articles of Association. Certain types of changes in the rights of Interoil's Shareholders require the consent of all Shareholders or 90 per cent of the votes cast at a general meeting.

11.4 Additional issuances and preferential rights

If Interoil issues any Shares, including bonus share issues (involving the issuance of Shares by a transfer from Interoil's share premium reserve or distributable equity to the share capital), Interoil's Articles of Association must be amended, which requires a two-thirds majority of the votes cast at a general meeting of shareholders. In connection with an increase in Interoil's share capital by a subscription for Shares against cash contributions, Norwegian law provides Interoil's Shareholders with a preferential right to subscribe for the Shares on a pro rata basis in accordance with their then current shareholdings in Interoil.

The preferential rights to subscribe to an issue may be waived by a resolution in a general meeting passed by a two-thirds majority of the votes cast at a general meeting.

The general meeting may, with a vote as described above, authorise the Board of Directors to issue Shares. Such authorisation may be effective for a maximum of two years, and the par value of the Shares to be issued may not exceed 50 per cent of the nominal share capital as at the time the authorisation was granted. The preferential right to subscribe for Shares in consideration against cash may be set aside by the Board of Directors only if the authorisation includes such possibility for the Board of Directors.

During the issue of Shares to Shareholders who are citizens or residents of the United States in a preferential rights issue, Interoil may be required to file a registration statement in the United States under U.S. securities laws. If Interoil decides not to file a registration statement, these holders may not be able to exercise their preferential rights.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval and provided that, amongst other requirements, the company does not have an uncovered loss from a previous accounting year, by transfer from the company's distributable equity or from the company's share premium reserve. Any bonus issues may be affected either by issuing shares or by increasing the par value of the shares outstanding. If the increase in share capital is to take place by shares being issued, these shares must be allotted to the shareholders of the company in proportion to their current shareholdings in the company.

11.5 Minority rights

Norwegian law contains a number of protections for minority shareholders against oppression by the majority, including but not limited to those described in this and preceding paragraphs. Any shareholder may petition the courts to have a decision of Interoil's Board of Directors or general meeting declared invalid on the grounds that it unreasonably favours certain Shareholders or third parties to the detriment of other Shareholders or Interoil itself. In certain grave circumstances, Shareholders may require the courts to dissolve the Company as a result of such decisions. Shareholders holding in the aggregate 5 per cent or more of Interoil's share capital have a right to demand that Interoil holds an extraordinary general meeting to discuss or resolve specific matters. In addition, any Shareholder may demand that Interoil places an item on the agenda for any general meeting if Interoil is notified in time for such item to be included in the notice of the meeting.

11.6 Change of control

There are no provisions in the Articles of Association which would have an effect of delaying, deferring or preventing a change of control of Interoil, or which require disclosure of ownership above any thresholds. In section 11.11 is a description of the requirements under the Securities Trading Act for mandatory take-over bids.

It should be noted that the Company's Senior Secured Bond Loan contains a change of control provision, under which a change in control of the Company could entitle the bondholders to require that their bonds are redeemed by Interoil at a price of 105 % of the nominal value of the bonds (plus accrued and unpaid interest on the bonds).

11.7 Public takeover bids

Following the Private Placement, Andes launched on 18 February 2015 a mandatory offer for all outstanding shares in the Company. The offer price was NOK 0.11 and following the expiry of the offer period on 18 March 2015, Andes announced that they had received acceptances for 42 176 Shares equal to 0.01 % of the total share capital. Other than that, there has been no public takeover bid by a third party during the last financial year and the current financial year.

11.8 Rights of redemption and repurchase of Shares

The Company has not issued redeemable shares (i.e., shares redeemable without the shareholder's consent). The Company's share capital may be reduced by reducing the par value of the Shares. Such a decision requires the approval of two-thirds of the votes cast at a general meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed. A Norwegian company may purchase its own shares if an authorisation for the board of directors of the company to do so has been given by the shareholders at a general meeting with the approval of at least two-thirds of the aggregate number of votes cast at the meeting. The aggregate par value of treasury shares so acquired and held by the Company is not permitted to exceed 10 per cent of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the shareholders at the general meeting cannot be given for a period exceeding 18 months.

11.9 Distribution of assets on liquidation

Under Norwegian law, a company may be wound-up by a resolution of the company's shareholders in a general meeting passed by the same vote as required with respect to amendments to the articles of association. The shares rank equally in the event of a return on capital by the company upon a winding-up or otherwise.

11.10 Articles of Association

The Company's Articles of Association are incorporated by reference in this Prospectus. The following is a summary of provisions of the Articles of Association some of which have not been addressed in the preceding discussions.

The Company's purpose according to its articles is activities such as exploration, development production, purchase and sale of oil and natural gas deposits and production licenses, as well as any activities related thereto, including investments in equal and similar enterprises, cf. article 3. The Company has one class of shares.

The Board of Directors consists of up to seven members. The articles of association do not provide for any rights, preferences and restrictions attaching to the Shares and do not lay down more significant conditions necessary to change the rights of shareholders than required under Norwegian law. The rights, preferences and restrictions attaching to the Shares are set out in the Public Limited Companies Act.

All Shares entitles the holder to one vote at the annual or extraordinary shareholders meeting. A shareholder may attend and vote in person or by proxy.

The articles of association do not lay down more significant conditions necessary to change the rights of shareholders than required by the Public Limited Companies Act. Under the Public Limited Companies Act, general meetings must be convened by written notice to all shareholders whose address is known. The notice must be sent at the latest two weeks before the date of the general meeting. The notice must set forth the time and date of the meeting and specify the agenda of the meeting. It must also name the person appointed by the Board of Directors to open the meeting. All shareholders who are registered in the register of shareholders maintained by the VPS, or have otherwise reported and proved an acquisition of Shares, are entitled to admission provided pre-registration has been received by the Company four days prior to the general meeting.

The articles of association do not contain any provisions as to the manner in which general meetings of the Company are called or as to the conditions of admission to general meetings.

There are no provisions in the articles of association which would have an effect of delaying, deferring or preventing a change of control of the Company, or which require disclosure of ownership above any thresholds.

The articles of association do not impose more stringent conditions for changing the capital of the Company than required by law.

11.11 Mandatory Offer Requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group who becomes the owner of shares representing more than 1/3 of the voting rights of a Norwegian company listed on a Norwegian regulated market to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in such company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares which together with the party's own shareholding represent more than 1/3 of the voting rights in the Company and the Oslo Stock Exchange decides that this must be regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation shall immediately notify the Oslo Stock Exchange and the Company accordingly. The notification shall state whether an offer will be made to acquire the remaining shares in the Company or whether a sale will take place. As a main rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. However, if it is clear that the market price was higher when the mandatory offer obligation was triggered, the offer price shall be at least as high as the market price. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the Company, such as voting in a general meeting of shareholders, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise the right to dividend and his/her/its pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duties to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine which runs until the circumstance has been rectified.

Any person, entity, or shareholder or consolidated group who has passed the relevant threshold for a mandatory offer obligation without triggering such an obligation, and who consequently has not previously made an offer for the remaining shares in the Company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the Company (subsequent offer obligation).

Any person, entity or consolidated group who represents more than 1/3 of the votes in a Norwegian company listed on a Norwegian regulated market is obliged to make an offer to purchase the remaining shares of the Company (repeated offer obligation) where the shareholder through acquisition becomes the owner of shares representing 40 % or more of the votes in the Company. The same applies correspondingly where the shareholder through acquisition becomes the owner of shares representing 50 % or more of the votes in the Company. The mandatory offer obligation ceases to apply if the shareholder sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered. Pursuant to the Norwegian Securities Trading Act and the Norwegian Securities Regulation of 29 June 2007 No. 876, the above mentioned rules also apply in part or in whole to acquisitions of shares in certain non-Norwegian companies whose shares are listed on a Norwegian regulated market.

11.12 Compulsory Acquisition

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing more than 90 % of the total number of issued shares in a Norwegian public limited company, as well as more than 90 % of the total voting rights, has a right, and each remaining minority shareholder of the Company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90 percent of the total number of issued shares, as well as more than 90 % of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer:

- The compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer

- The price offered per share is equal to or higher than what the offer price would have been in a mandatory offer

- The settlement is guaranteed by a financial institution authorized to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90 percent of the voting shares of the offeree company and a corresponding proportion of the votes that can be cast in the general meeting, and the offeror pursuant to Section 4–25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price, absent specific reasons indicating another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

12. NORWEGIAN TAXATION OF SHAREHOLDERS

12.1 Introduction

This subsection presents a brief outline of certain tax aspects under Norwegian law related to holding and disposal of shares in the Company. The presentation is based on Norwegian tax regulations in force as of the date of this Prospectus and describes the tax situation for Norwegian shareholders (shareholders with Norwegian tax domicile) and withholding tax for non-Norwegian shareholders (shareholders not having Norwegian tax domicile). The presentation does not concern tax issues for the Company.

The presentation does not include any information with respect to taxation in any other jurisdiction than Norway, and the presentation only focuses on the shareholder categories explicitly mentioned below. Hence, the presentation does i.a. not exhaustively cover the tax situation for non-Norwegian shareholders holding or disposing off shares in the Company through a Norwegian permanent establishment. Further, special rules, which are not mentioned below, may apply to shareholders which are transparent entities for tax purposes and for shareholders that have moved or will move out of Norway.

The presentation is of general nature and is not intended to be an exhaustive analysis of all possible tax aspects relating to shares in or dividends paid from the Company. Accordingly, prospective holders of shares in the Company should consult and rely upon their own tax advisors as to the consequences under the tax regulations of Norway and elsewhere.

The presentation is subject to any amendments to tax laws and regulations that may occur after the date of this Prospectus, including any retroactive enforcement.

Please note that for the purpose of this subsection, a reference to a Norwegian or foreign shareholder refers to the tax residency and not the nationality of the shareholder.

12.2 Norwegian shareholders

12.2.1 Taxation of dividends – Norwegian personal shareholders

Dividends distributed from the Company to Norwegian personal shareholders are taxable as ordinary income at a current rate of 22 percent. However, this will only apply for dividends exceeding a calculated risk-free return on the investment (tax-free return), which thus is tax exempt. The tax basis is adjusted upwards by a factor of 1.44 before taxation which means that dividends exceeding the tax-free return are effectively taxed at a rate of 31.68 percent.

The tax-free return is calculated annually for each share and is allocated to the owner of the share at the end of the year. The tax-free return is calculated on the basis of the shareholder’s cost price on the share multiplied with a statutory risk-free interest. The risk-free interest is determined on the basis of interest on 3-months Treasury bills (Norwegian: “statskasseveksler”), as published by the Central Bank of Norway (Norwegian: Norges Bank), adjusted downwards with the tax rate. The risk-free interest rate is calculated and announced by the Norwegian Tax Directorate in January in the year after the income year; i.e. the risk-free interest rate for 2020 is decided in January 2021. For the income year 2019, the risk-free interest rate was set to 1.3 per cent.

Norwegian Personal Shareholders who transfer shares will not be entitled to deduct any calculated allowance related to the year of transfer.

If the actual distributed dividends for one year are less than the calculated tax-free return (calculated for each share), the surplus tax-free return can be carried forward to be set-off against dividends or capital gains on the same share for subsequent years (any surplus tax-free return on one share cannot be set-off against dividends or capital gains on other shares). Furthermore, any such surplus tax-free return will be added to the basis for calculating the annual tax-free return on the share for subsequent years.

12.2.2 Taxation of capital gains – Norwegian personal shareholders

Sale, redemption or other disposal of shares is considered as a realization for Norwegian tax purposes.

A capital gain or loss generated by a Norwegian personal shareholder through a realization of shares in the Company is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the basis for computation of ordinary income in the year of realization. Ordinary income is taxable at a current rate of 22 percent. The tax basis is adjusted upwards by a factor of 1.44 before taxation/deductions which means an effective taxation at a rate of
31.68 percent

Gains are taxable and losses are deductible irrespective of the duration of the ownership and the number of shares owned and/or disposed of.

The gain or loss is calculated as net consideration for the share less the cost price (including cots related to the acquisition and disposal of the share) on the share and any surplus tax-free return on the share (as a result of non-utilization of the calculated annual tax-free returns at the time of disposal). However, any surplus tax-free return may only be deducted in order to reduce a capital gain, and not to produce or increase a loss, i.e. any unused allowance exceeding the capital gain upon the realization of a share will be annulled. Further, any surplus tax-free return on one share cannot be set-off against gains on another share. Expenses and broker's commission at both the purchase (including the subscription for shares) and the sale of shares are deductible when calculating the capital gain or loss.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply to Norwegian Private Shareholders that cease to be tax-residents in Norway.

12.2.3 Taxation of dividends and capital gains – Norwegian corporate shareholders

Capital gains generated by Norwegian corporate shareholders (limited liability companies and certain similar entities) through a realization of shares in the Company, are subject to the Norwegian participation exemption, and hence, generally exempt from tax. Losses upon realization and costs incurred in connection with the purchase and realization of shares are not deductible for tax purposes. Special rules apply for Norwegian Corporate Shareholders that cease to be tax- resident in Norway

The participation exemption also applies to dividends distributed from the Company to Norwegian corporate shareholders, who are limited liability companies (and certain similar entities). 3 per cent of the dividend that qualifies for the participation exemption will be included in the tax base and taxable at a rate of 22 percent, implying a 0.66 percent effective tax rate for Norwegian corporate shareholders on such dividend.

12.2.4 Net wealth tax

Norwegian corporations are exempt from net wealth taxation.

Norwegian personal shareholders are subject to net wealth tax. The marginal net wealth tax rate is currently 0.85 percent. When calculating the net wealth tax base, shares in listed companies are valued to the 65 percent of the shares' quoted value as of 1st of January in the assessment year, i.e. the year following the income year.

12.3 Foreign shareholders – Norwegian taxation

12.3.1 Withholding tax on dividends

Dividends distributed from the Company to non-Norwegian shareholders (personal and corporate shareholders) not resident in Norway for tax purposes, are generally subject to Norwegian withholding tax. The general withholding tax rate on dividends is 25 percent, but the rate may be reduced if a tax treaty applies.

Dividends distributed to non-Norwegian shareholders that are regarded as equivalent to Norwegian limited liability companies (and certain other entities) and resident within the EEA for tax purposes, are exempt from Norwegian withholding tax, provided that the shareholder is the beneficial owner of the shares and that the shareholder is actually established and carries on genuine economic activities within an EEA member state. Special documentation requirements may apply in this respect.

Personal shareholders resident in an EEA member state may claim that a tax-free return is calculated and applied in the same way as for Norwegian personal shareholders, cf. above. However, the tax-free return does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower withholding tax on the dividends than the withholding tax rate of 25 per cent less the tax-free return. Any tax-free return is only available upon application, and any refund is given after the end of the income year.

Non-Norwegian shareholders that have been subject to a higher withholding tax than set out in an applicable tax treaty or the Norwegian Tax Act may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Different provisions apply if shares in the Company are held by non-Norwegian shareholders in connection with a business (e.g. a permanent establishment) liable to taxation in Norway.

Non-Norwegian Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

12.3.2 The Company's responsibility for the withholding of taxes

Non-Norwegian shareholders subject to withholding tax on dividends from the Company are subject to advance tax payment. The Company is responsible for the withholding of all tax that is levied on dividends to foreign shareholders and to report and pay in the withholding tax.

12.3.3 Capital gains

Non-Norwegian personal and corporate shareholders are not subject to Norwegian tax on capital gains generated through realization of shares in the Company. However, tax liability in Norway may arise if (i) the shares are held in respect of a business (e.g. a permanent establishment) liable to taxation in Norway; or (ii) in the case of personal shareholders, the person has previously been tax domiciled in Norway with unsettled/postponed exit tax.

12.3.4 Net Wealth Tax

Non-Norwegian shareholders are, at the outset, not subject to Norwegian net wealth tax. Foreign personal shareholders may, however, be subject to net wealth tax if holding the shares in connection with a business (e.g. a permanent establishment) liable to taxation in Norway.

12.4 Duties on transfer of shares

No stamp duty or similar duties are currently imposed in Norway on the transfer or issuance of shares in the Company, neither on acquisition nor disposal.

12.5 Inheritance tax

Transfer of shares is not subject to inheritance tax. However, the heir continues the giver's tax positions, including the input values, based on principles of continuity.

13. LEGAL MATTERS

13.1 Legal proceedings

Except as described below, there are no and there have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware), during a period covering at least the previous 12 months which could have, or have had in the recent past, significant effects on the Company and/or the Group and/or our financial position or profitability.

13.2 Tax Litigation Procedures – Colombian tax department

Tax administrative proceeding. The Colombian tax authority DIAN opened an audit of 2011 income tax requiring that a higher amount be paid regarding transfer pricing. DIAN issued on June 5th, 2015 an official tax liquidation demanding payment of additional amount for income tax (DIAN disavowed costs paid to affiliates). Interoil Colombia filed a reconsideration petition. On April 29th DIAN confirmed its initial position, finishing any administrative recourse. Interoil filed a complaint against DIAN´s decision before administrative court on March 2017. In October 3, 2018 the Tribunal sentence against Interoil pretentions. On March 9, 2019 Interoil Colombia appealed and presented its arguments to the second stage court. The contingency related to this matter may be up to USD 4 million (included potential fines).

13.3 Labour proceedings

In Colombia, there are certain claims from third party employees regarding certain social security contributions and indemnification for disability by virtue of work accidents. As there is a lack of legal relationship between the plaintiff and the company, there is low probability for success for the plaintiff. These claims are of limited size.

13.4 Arbitration – Trayectoria Oil & Gas

The Trayectoria dispute regarding the assignment agreement for the rights of the exploration and production contracts for Altair and COR 6 was settled in March 2015. Under the settlement agreement, Trayectoria agreed to pay USD 4 million in four instalments. The first instalment of USD 0,5 million was received in July 2015. The following instalments of USD 3,5 million, were not paid, and are still outstanding. In consequence, and in accordance with the settlement agreement, Interoil decided to cancel the settlement agreement. The Group is considering different legal alternatives, but has currently suspended the case.

13.5 Arbitration – PeruPetro

PeruPetro started an arbitration lawsuit in regards to a parent company guarantee given under the 12 months license agreement signed in April 2014 for blocks III and IV in Peru. In November 2014, the Company divested its Peruvian assets by selling the Norwegian holding company, LATAM to United Oilfield Colombia Inc. ("**UOC**"). The guarantee was secured under a back to back guarantee with UOC. The Company sought to negotiate a settlement and made a provision of USD 400 000 included in the Q2 report 2017. PeruPetro rejected initially the Company's proposal to settle the dispute. Following a full process, including submissions by the Company of a response to the complaint and a rebuttal, hearings in Lima on the case and evidence and the filing of closing arguments, the arbitration Tribunal issued an award whereby it found that PeruPetro had started arbitration in violation of the arbitration clause that required a previous mandatory direct negotiation with the Company and ordered PeruPetro to conduct such negotiations. In such context, the Company and PeruPetro settle the dispute without any payment or liability whatsoever of the Company to PeruPetro. Late in 2019, the Tribunal approved the settlement and ordered PeruPetro to pay the costs the arbitration Tribunal considering that PeruPetro had been defeated in the process. In January 2020 the Tribunal confirmed this resolution rejecting a motion for interpretation and clarification presented by PeruPetro.

13.6 Material contracts

Other than the contracts described in section 6.9 and 6.11, including the service contract further described in section 6.9.8, the Company has not entered into any material contract, other than contracts entered into in the ordinary course of business, to which the Company is a party, for the three years immediately preceding publication of this Prospectus as well any other contract (not being a contract entered into in the ordinary course of business) entered into by the Company which contains any provision under which the Company has any obligation or entitlement that is material to the Company as at the date of this Prospectus.

13.7 Loan agreements

In addition, the loan agreements discussed in section 9.13 are material to the Company.

14. TRANSFER RESTRICTIONS

14.1 General

No actions have been taken, and no actions are intended to be taken, to register the Bond Conversion Shares in any other jurisdiction than in Norway. The transfer of any of these securities in or into various jurisdictions may be restricted or affected by law in such jurisdictions.

No securities of the Company are being offered by means of this Prospectus. This Prospectus does not constitute an invitation to purchase any of the securities of the Company in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a offering of the securities of the Company to occur outside of Norway. Accordingly, neither this Prospectus nor any advertisement or any other material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions. The securities of the Company may be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The following is a summary of certain transfer restrictions that may apply to the securities of the Company pursuant to legislation in certain jurisdictions. The contents do not constitute an exhaustive description of all transfer restrictions that may apply in such jurisdictions, and similar or other restrictions may also follow from applicable laws and regulations in other jurisdictions.

14.2 Transfer restrictions – United States

The Shares of the Company have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Shares of the Company outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.

- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Shares was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Shares to any person in the United States.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Prospectus.

- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.

- The Company shall not recognise any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company and its advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- Each purchaser of the Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:
- The purchaser is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The purchaser is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- The purchaser understands and acknowledges that if, in the future, the purchaser or any such other QIBs for which it is acting, or any other fiduciary or agent representing such purchaser decides to offer, resell, pledge or otherwise transfer such Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser understands that Shares are "restricted securities" within the meaning of Rule 144(A)(3) and that no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions.

The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company and its advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

14.3 Transfer restrictions – Other jurisdictions

Similar or other restrictions may also exist for investors in other jurisdictions in respect of the securities of the Company.

15. APPENDICES AND DOCUMENTS ON DISPLAY

15.1 Documents on Display

Copies of the following documents may be inspected during the term of the Prospectus within standard business hours at the business address of the Company at c/o Advokatfirmaet Schjødt AS, Ruseløkkveien 14, N-0251, Oslo, Norway:

- This Prospectus;
- the Company's Articles of Association;
- all reports, letters, and other documents, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in the Prospectus;
- information incorporated by reference into this Prospectus.

The above documents are also available on the Company's website www.interoil.no.

15.2 Documents incorporated by reference

Section in Prospectus	Reference	Reference document and link
Section 11.10	Articles of Association	Articles of Association: http://www.interoil.no/?page_id=492
Section 9	Unaudited interim reports	Interim report for the three months period ended 31 March 2020: https://ml-eu.globenewswire.com/Resource/Download/9a2f806e-3064-4411-8e02-03a99d378abf Interim report for the three months period ended 31 March 2019: https://ml-eu.globenewswire.com/Resource/Download/d6e6abd3-720e-42d3-b367-9939372a64ab
Section 9	The Company's Audited annual reports for 2019, 2018 and 2017 including an overview of the Company's accounting policy, explanatory notes, report on corporate governance and auditor's report.	Annual report 2019: https://ml-eu.globenewswire.com/Resource/Download/f29c968c-8371-4128-8f0c-b8b878ebd5a2 Annual report 2018: https://ml-eu.globenewswire.com/Resource/Download/05387693-d567-494f-95e4-b723ac0817b1 Annual report 2017: http://hugin.info/137537/R/2186568/848484.pdf
Section 6	Annual Statement of Reserves 2019 (including reserve statements from Gaffney, Cline & Associates)	Annual Statement of Reserves: https://newsweb.oslobors.no/obsvc/attachment.obsvc?messageId=507241&attachmentId=201330&obsvc.item=1

15.3 Advisors

Advokatfirmaet Schjødt AS has acted as Norwegian legal counsel to the Company in connection with the issuance and listing of the Bond Conversion Shares.

16. DEFINITIONS AND GLOSSARY OF TERMS

1P	Proven reserves
2P	Proven and Probable reserves
Acquisition	The Company's acquisition of majority interests in five exploitation concessions in Argentina on 11 January 2020, for a total consideration of USD 1 million payable by means of the Acquisition Shares.
Acquisition Shares	4,045,539 Shares of the Company issued and transferred to Roch S.A. in consideration for the Acquisition at a subscription price of NOK 2.195 per Share.
Andes	Andes Energia Plc
ANH	Agencia Nacional de Hidrocarburos (National Hydrocarbons Agency)
ANLA	National Environmental Agency
API	API gravity, is a measure of how heavy or light a petroleum liquid is compared to water
Articles of Association	Interoil Exploration and Production ASA’s articles of association
ATM	ATM Oil and Gas S.A.
Barrel	159 litres, a measuring unit for volume
Bbl	Barrels of oil
Bboe	Billion barrels of oil equivalent
Bcf	Billion cubic feet
Board Members	The members of Interoil's Board of Directors
Board of Directors or Board	Board of Directors in Interoil
Boe	Barrels of oil equivalent
Boepd	Barrels of oil equivalent per day
Canacol	Canacol Energy Ltd
Company	Interoil Exploration and Production ASA
Bond Conversion Shares	The 56,193,478 new shares of the Company issued in connection with the conversion of bonds to equity
COP	Colombian peso
COR-6 Contract	Exploration and Production Contract No. 68, Block COR-6 dated 3 May 2011
E&P	Exploration and production
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITDAX	EBITDA corrected by exploration costs and extraordinary items
Echo	Echo plc
Echo Parties	Echo and the subsidiaries of Eco that purchase from Phoneix Global Resources a 70% participating interest in the Santa Cruz Assets, the Santa Cruz UT Agreement and the IJVA.
Ecopetrol	Ecopetrol S.A.
Equity ratio	Total shareholders’ equity divided by total assets
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC , as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act
Extraordinary General Meeting	The extraordinary General Meeting of the Company
GDP	Gross domestic product
General Meeting	The general meeting of the Company
Group	Interoil Exploration and Production ASA with its subsidiaries
HSE	Health, safety and environment
Hocol	Hocol S.A.
IEA	International Energy Agency
IFRIC	International Financial Reporting Interpretations Committee interpretations, as adopted by the European Union
IFRS	International Financial Reporting Standards as adopted by the European UnionInternational Financial Reporting Standards, issued by the IASB

IJVA	International Joint Venture Agreement by and among the Echo Parties, IOGR and Interoil Argentina governing the Santa Cruz Assets.
INDEC	Instituto Nacional de estadísticas y Censos
Interest coverage	Interests divided by EBITAx
Interoil Argentina	Interoil Argentina S.A.
Interoil Colombia	Interoil Colombia Exploration and Production Inc.
Interoil or the Company	Interoil Exploration and Production ASA, registered with the Norwegian Register of Business Enterprises under the organisation number 988 247 006
IOGRa	IOG Resources S.A.
ISIN	International Securities Identification Number
JEMSE	Jujuy Energía y Minería Sociedad del Estado
La Brea UT Agreement	The joint venture agreement JEMSE entered into on 24 February 2017 (union transitoria) with Selva María Oil S.A. ("SMO") for the exploration, development, exploitation, transportation, disposition and sale of hydrocarbons located in the La Brea field.
Management	The members of the senior management of the Company.
mmbbl	Million barrels of oil
mmboe	Million barrels of oil equivalent
Mmcf	Million cubic feet of gas
Mata Magallanes-Cañadón Ramírez UT Agreement	The joint venture agreement Petrominera S.A. entered into on 13 April 2018 (union transitoria) with Selva María Oil S.A. ("SMO") for the exploration, development, exploitation, transportation, disposition and sale of hydrocarbons located in the Mata Magallanes fields.
NOK	Norwegian kroner
Norwegian FSA	The Financial Supervisory Authority of Norway (*Norwegian: Finanstilsynet).*
Norwegian Public Limited Liability Companies Act or Norwegian Public Limited Companies Act	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75
NYMEX	New York Mercantile Exchange
OECD	Organization for Economic Cooperation and Development
OPEC	Organization of Petroleum Exporting Countries
Oslo Børs or Oslo Stock Exchange	Oslo Børs, a stock exchange operated by Oslo Børs ASA
Parent Company	Interoil Exploration and Production ASA
PDO	Plan for development and operations
Petrocarbon	PetroCarbon Investment SA
Probable Reserves:	As approved by the Society of Petroleum Engineers (SPE) and the World Petroleum Congress (WPC) in March 1997, probable reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should at least be 50 % probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves.
Prospective Resources	As approved by the Society of Petroleum Engineers (SPE), the World Petroleum Congress "(WPC)" and the American Association of Petroleum Geologists (AAPG), prospective resources are those quantities of petroleum, which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations.
Prospectus	This Prospectus dated 26 August 2020
Proven Reserves:	As approved by the Society of Petroleum Engineers (SPE) and the World Petroleum Congress (WPC) in March 1997, proved reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90 % probability that the quantities actually recovered will equal or exceed the estimate.

Reserve replacement ratio	A ratio that measures the amount of proved reserves added to a company's reserve base during the year relative to the amount of oil and gas produced.
Santa Cruz Assets	The exploitation concessions award on the Campo Bremen, Chorrillos, Océano, Moi Aike and Palermo Aike blocks
Santa Cruz UT Agreement	The joint venture agreement entered into (union transitoria) by Glacco S.A. and Roch S.A. for the exploration, development, exploitation, transportation, disposition and sale of hydrocarbons located in the Santa Cruz Concessions.
Senior Secured Bond Loan	Bond loan issued by the Company under ISIN NO 0010729908.
Shareholder	A shareholder in Interoil holder of shares in Interoil
Shares	“Shares” means shares of Interoil and “Share” means any one of such Shares.
SLS	SLS Energy
SMO	Selva María Oil S.A.
SPE PRMS	Society of Petroleum Engineers, World Petroleum Council, American Society of Petroleum Geologists and Society of Petroleum Evaluations Engineers
SPE PRMS	The joint venture agreement (unión transitoria) entered into by JEMSE 24 February 2017 with SMO and ATM for the exploration, development, exploitation, transportation, disposition and sale of hydrocarbons located in the La Brea field
TOC	Total Oil Content
U.S. Securities Act	The U.S. Securities Act of 1933
UOC	United Oilfield Colombia Inc
US	United States of America
USD	US dollars
Vitol	Vitol Colombia CI. S.A.S.
VPS	The Norwegian Central Securities DepositoryVerdipapirsentralen (Norwegian Central Securities Depository)
VPS account	An account with VPS for the registration of holdings of securities.
WI	Working Interest
WTI	West Texas Intermediate oil price

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