National Prospectus

(Norwegian: Nasjonalt prospekt)

INTEROIL

Interoil Exploration and Production ASA

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

Share Issue of up to 25,342,462 new shares in Interoil Exploration and Production ASA at an Offer Price of NOK 1.46 per share and with an Application Period from 6 April 2021 at 09:00 (CEST) to 13 April 2021 at 16:30 (CEST)

Interoil Exploration and Production ASA ("**Interoil**" or the "**Company**") is offering up to 25,342,462 new shares in the Company (the "**Offer Shares**") each with a nominal value of NOK 0.50 (the "**Offer Shares**") in connection with a share issue raising gross proceeds of up to NOK 37,000,000, directed towards (i) investors in Norway and (ii) other investors who are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action (the "**Share Issue**").

The application period for the Offer Shares (the "**Application Period**") commences on 6 April 2021 at 09:00 (CEST) and expires on 13 April 2021 at 16:30 (CEST). The subscription price per Offer Share is NOK 1.46 (the "**Offer Price**"). The number of Offer Shares to be issued will be determined based on the number of Offer Shares applied for during the Application Period, but will not exceed 25,342,462 Offer Shares.

The Offer Shares will when issued be registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form and are expected to be delivered to the applicant's VPS account on or about 27 April 2021. The Offer Shares will have equal rights and rank pari passu with the Company's other shares (the "**Shares**").

Investing in the Company's Shares, including the Offer Shares, involves a high degree of risk. See section 3.9 "Risk factors related to the Company and the industry in which it operates" and section 4.14 "Risk factors related to the Offer Shares and the Share Issue".

This prospectus (the "Prospectus") is a national prospectus (Norwegian: Nasjonalt prospekt) and has been registered with the Norwegian Register of Business Enterprises in accordance with section 7-8 of the Norwegian Securities Trading Act. Neither the Financial Supervisory Authority of Norway (Norwegian: Finanstilsynet) (the "Norwegian FSA") nor any other public authority has carried out any form of review, control or approval of the Prospectus. This Prospectus does not constitute an EEA-prospectus.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. The Company reserves the right to reject any application which it believes may be in contradiction of any relevant legislation.

There will be no public offer of the Offer Shares in the United States. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities law of any state or other jurisdiction of the United States and may not be reoffered, resold, pledged or otherwise transferred, directly or indirectly, except pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. An applicant in the United States or who is a "U.S. Person" (within the meaning of Regulation S under the U.S. Securities Act), may not participate in the Share Issue. The Offer Shares are "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act and may not be deposited into any unrestricted depositary receipt facility in the United States, unless at the time of deposit the Offer Shares are no longer "restricted securities". The Offer Shares may not be reoffered, resold, pledged or otherwise transferred, except (a) outside the United States in accordance with Rule 903 or Rule 904 of Regulation S, as applicable or (b) pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and subject to the provisions of the U.S. investor representation letter.

30 March 2021

IMPORTANT INFORMATION

This Prospectus has been prepared solely in connection with the Share Issue. This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "Norwegian Securities Trading Act"). This Prospectus has been prepared solely in the English language. The Prospectus is a national prospectus prepared in accordance with Section 7-5 of the Norwegian Securities Trading Act, and it does not fulfil the requirements of the EU Prospectus Regulation and has not been reviewed or approved by The Financial Supervisory Authority of Norway (*Norwegian: Finanstilsynet*) (the "Norwegian FSA").

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

No person is authorised to give information or to make any representation concerning the Company or in connection with the Share Issue, 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. 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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APPENDICES

1 STATEMENTS

1.1 Responsibility for the Prospectus

This Prospectus has been prepared by the Company in connection with the Share Issue. The members of the Board of Directors of Interoil confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

30 March 2021

The Board of Directors of Interoil Exploration and Production ASA

Signature:	Signature: ....
Name: Hugo Quevedo	Name: Mimi Berdal
Signature:	Signature: ....
Name: German Ranftl	Name: Laura Mármol
Signature:	Signature: ....
Name: Carmela Saccomanno	Name: Nicolas Acuna

1.2 Forward-looking statements

This Prospectus contains forward-looking statements relating to, among other things, the business, strategy, future operations, future progress, expectations related to the use of proceeds from the Share Issue, future financial performance and results, projected costs, prospects, plans and objectives of the Company and/or the industry in which it operates.

Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes", "expects", "intends", "anticipates", "targets", and similar expressions. The forward-looking statements contained in this Prospectus, including assumptions, opinions and views of the Company or cited from third party sources are solely opinions and forecasts which are subject to risks, uncertainties and other factors that may cause actual events to differ materially from any anticipated development.

Neither the Company nor any of its subsidiary undertakings or any such person’s officers or employees provide any assurance that the assumptions underlying such forward-looking statements are free from errors nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this Prospectus or the actual occurrence of the forecasted developments. The Company assumes no obligation, except as required by law, to update any forward-looking statements or to conform these forward-looking statements to our actual results.

2 INFORMATION ON INTEROIL

2.1 Company name, business registration number and LEI

The issuer of the securities is Interoil Exploration & Production ASA. The Company's registration number in the Norwegian Register of Business Enterprises in 988 247 006, and its legal entity identifier (LEI) is 5967007LIEEXZXIMC884.

2.2 Business address and contact details

The Company's registered office is c/o Advokatfirmaet Schjødt AS, Ruseløkkveien 14, N-0251 Oslo, Norway, and its contact e-mail is info@interoil.no

2.3 Board of Directors and CEO

As the date of this Prospectus, the Company's Board of Directors consists of the following persons:

Name	Position
Hugo Quevedo	Chairman of the board
Nicolas Acuña	Board member
Mimi Berdal	Board member
German Ranftl	Board member
Laura Mármol	Board member
Carmela Saccomanno	Board member

The Company's General Manager at the date of this Prospectus is Francisco Guillermo Vozza and the Company's Chief Executive Officer (CEO) at the date of this Prospectus is Leandro Carbone. The Company currently does not have a Chief Financial Officer (CFO).

During the last five years preceding the date of this Prospectus, neither of the members of the Company's executive management nor any of the Company's board members has:

- been convicted in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

3 ADDITIONAL INFORMATION ON INTEROIL

3.1 Organizational structure and applicable legislation

The Company is a public limited liability company organised and registered under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act.

3.2 Date of incorporation

The Company was incorporated in Norway on 25 May 2005.

3.3 Objective of the Company

Pursuant to section 3 of the Company's articles of association, the Company's objective 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. The Company has one class of shares.

3.4 Shares, share capital and share options

As at the date of this Prospectus, the Company's share capital is NOK 82,189,543.50 divided amongst 164,379,087 Shares, each with a nominal value of NOK 0.50. The Company's Shares are registered in book-entry form with the VPS.

The Company has one class of shares, and all shares provide equal rights in the Company. The Shares carry one vote each.

There are no share options or other rights to subscribe or acquire Shares issued by the Company, as of the date of this Prospectus.

3.5 Business of Interoil

3.5.1 Introduction

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 licenses 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.

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.

The Company is the issuer of the “7.50 per cent Interoil Exploration and Production ASA Senior Secured Callable Bond Issue 2015/2026”, ISIN NO 001 0729908, issued pursuant to the Amended and Restated Bond Agreement dated 17 January 2020, as amended by the Amendment Agreement entered into on 29 July 2020.

3.5.2 Strategy

Interoil is engaged in the acquisition, exploration, development and operation of oil and natural gas properties. Interoil’s strategy is to keep operatorship in all assets where we participate whenever possible and to grow into an increasingly important E&P player through the acquisition, exploration and development of assets efficiently and in a sustainable manner for the benefit of shareholders, employees, partners and other stakeholders.

Currently, Interoil is focused on strengthening its operations in Colombia and Argentina where the current asset portfolio contains a large inventory of underdeveloped producing fields combined with exploration projects of high quality and potential.

Assets Overview

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 will be received. The Company expects approval to be received by the end of 2021.

Colombia Operations

In Colombia, and according to the Hydrocarbon National Agency (ANH), Interoil is one of the few operating companies with technical capabilities to explore and operate unlimited number of blocks and fields.

Puli C

The Puli C block is placed in the Middle Magdalena Valley basin along the central Magdalena River where several existing fields are on production within the block (Mana, Ambrosia and Rio Opia). Even though contractual obligations are already met, Interoil sustains production at the block applying different artificial lifting techniques aimed at reducing flowing pressure at the reservoir. Currently Interoil is building a dynamic reservoir model to evaluate the most appropriate Enhanced Oil Recovery (EOR) techniques to increase fields' recovery factor as well as developing nearby potential oil accumulation within the block contractual boundaries.

LLA-47

The block was awarded in 2010. At present the Company is committed to drilling nine additional exploratory wells in this block. After completing a detailed thoughtful study process combing the acquired 3D seismic information with detailed surface geochemistry report and re-evaluating petrophysical data from the two pre-existing Lince wells, Interoil was able to identify and map the Vikingo structure. In 2017, Interoil drilled the Vikingo.x-1 exploratory well leading to a successful discovery of neat naturally flown dry oil. Since then, Interoil has been working in mapping new opportunities within the eastern section of the block leading to, potentially, more than 20 million barrels of resource ("best" estimate of Prospective Resources) spread out among different structures. The potential of LLA-47 is further supported by the fact that the license is situated in an area with prolific neighboring oil fields. Interoil plans to continue the exploration activity by drilling additional exploration wells aimed at untapping the prolific potential laying underneath the LLA-47 acreage.

Altair

The block is placed in the Llanos Basin at approximately 5 km north of LLA-47. Currently, the block is fully covered with 3D seismic, detailed surface geochemistry and holds only one positive exploratory well, the Altair.x-1, together with four (Mizar.x-1, Purita.x-1 Colirojo.x-1 and Turaco.x-1) dry exploratory wells and Altair-2 as a development well (drilled after the Altair discovery). Interoil has already completed a detailed geological model in the westerly section of the Altair block using reprocessed 3D seismic data, and geological and petrophysical records gathered from the six existing wells, leading to a promising structure, named Mazorca, in the Gacheta formation, deeper to the Carbonera one (target of all the previous wells). Interoil plans to drill the Mazorca.x-1 well in the coming weeks between March and April this year.

Argentina Operations

Mata Magallanos Oeste (MMO)

This is an exploitation concession located in the western flank of the prolific Golfo San Jorge basin in the south of Argentina. When acquired, this field came with 3D seismic and a total of 45 wells drilled between the 70’s and late 80’s by YPF (Argentine State Oil Company) where 32 have been completed as producers. Interoil plans the downhole intervention of two wells to leave them as fuel-gas wells so as to allow oil production to flow by using this fuel-gas for moving surface equipment at the site. For further details see Upcoming Operations in Argentina.

Cañadón Ramírez (CR)

This exploration block is adjacent and partially surrounding by the MMO field making an interesting business unit. This block is fully covered with 3D seismic plus 22 exploratory wells (where most of them have either oil and/or gas shows when drilled). The exploration commitments in this block are 20,000 samples of geochemistry (15,000 samples are under analysis) and the reprocessing of the 3D seismic. Interoil plans for this block is to follow the same evaluation strategy as in the Colombia Blocks (Altair & LLA-47): integrate MMO & CR reprocessed 3D seismic, surface geochemical surveys and petrophysical re-evaluation from the existing wells to then modelled a complete and coherent geological model for the area aimed at explaining the hydrocarbon indications from the existing wells to further define the appropriate exploration/development strategy for either of the blocks.

La Brea

This exploitation contract is placed in the Northwest Basin 20km east from the Caimancito field (peak producing record in Latin America). The block is partially covered with old regional 2D seismic lines plus 10 old producing wells (between 1930 to 1950) in "La Brea Este" field (LBE) and one exploration well (EO.x1001 in 1998) aimed at evaluating "El Oculto" (EO) structure with inconclusive results due to a series of mechanical failures while testing the well. There are no exploration commitments in this block. Nevertheless, Interoil plans to intervene at least one well in LBE field to prove if the "Caimancito" petroleum system extends to this region of the Basin. Should this work bring positive results then a specific activity would be define aimed at further developed LBE field.

Santa Cruz Fields (SC)

These exploitation contracts are located onshore in the portion of the Austral basin within the Santa Cruz province. Interoil operates 13 producing fields with 2D regional seismic plus different 3D seismic vintage. Such fields contain 42 oil and 30 gas wells located in five exploitation concession contracts covering more than half a million acres. Current production is coming from the Springhill formation with some wells also flowing from the Tobifera formation where there is no exploration commitment pending in any of these assets.

There are many exploration projects identified by previous operators highlighting the assets' hydrocarbon potential within the existing boundaries of these concessions. However, Interoil has only recently acquired these assets and is still in the process of reviewing (QA/QC) geophysical and petrophysical data to then start working in an integrated geological model aimed at explaining how the petroleum system behaves among these assets, especially due to the acreage extension. Once Interoil has gained reasonable exploration insight on each producing field, then the Company would define a coherent exploration / development strategy.

3.6 Significant events and planned investments

An overview is set out below regarding significant events for Interoil from 2019 until the date of the Prospectus, as well as an overview of planned investments.

Corporate:

2019	– In April Interoil entered into an agreement for the acquisition of three areas in Argentina, two in the southern Province of Chubut (Mata Magallanes Oeste and Cañadon Ramírez) and one in the northern Province of Jujuy (La Brea). The consideration payable for this acquisition is payable partially in kind through shares of the Interoil and partially in cash. – In June Interoil registered 22,221,851 new shares issued in consideration for the acquisitions of areas in Argentina agreed in April 2019. – In July, Interoil issued 9,962,328 new shares, of which 2,607,774 shares were issued to cancelled a commercial debt with Fedmul for a series of geochemical surveys in LLA-47 and Altair blocks performed during 2017 and 2018, and the remaining shares were issued to the sellers of the Argentine areas acquired in April 2019 as partial payment of amount due in cash to such sellers.

	– On 11 December, Interoil summoned a bondholders' meeting seeking to obtain approval to a conversion into equity of 35% of the outstanding principal of Interoil's senior secured bonds and an extension of the maturity of such bonds to 2026 and other amendments. – On 30 December, the bondholders approved the conversion of parts of the bond loan into equity of the Company subject to approval of the issuance of the relevant shares by the extraordinary general meeting of the Company called for 16 January 2020, and extended 6 years the maturity of the Bonds of the Company until January 2026 fixing a new interest rate of 7.5% p.a.
2020	– On 16 January the Extraordinary Meeting of Shareholders approved the issuance 56,193,478 shares to Nordic Trustee for the benefit and allocation to the bondholders in consideration for the conversion into equity of 35% of the outstanding bonds. – In April as a consequence of the COVID-19 pandemic and operational and economic consequences, dramatic drop of demand and market prices scenario, Interoil postponed all investment programs and also carried out a significant cost reduction in salaries, employees, contractual services, fees and operational expenditures in all operations and at the headquarters in Oslo aimed at trying to offset unfavourable conditions and put operations in breakeven. – On 16 July, Interoil announced an amendment to the bond terms and conditions incorporating flexibility in the payment of interest on the bonds which is to be settled in the next three interest payment dates (Jul-20, Jan-21 and Jul-21) half in cash and half in kind through the issuance of new bonds with equal terms and conditions of those outstanding. – On 17 July, Interoil appointed Mr Francisco Vozza as the new General Manager and also announced Mr Pablo Creta has resigned to his position as General Manager and CFO of the Company.
2021	– On 4 March, Interoil announced that it has entered into a farm-out agreement with SLS and Quantum Resources for the drilling an exploratory well (Mazorca) in the Altair block, subject to the obtainment of the required funding. The Company also launched a small private placement of up to the NOK equivalent of EUR 999,999 as an action aimed at securing such funding. Interoil also announced the agreement with Velitec S.A. for the reopening of 15 well in the Mata Magallanes Oeste oil field. – On 9 March, Interoil announced that the private placement launched the date before resulted in a successful oversubscription at the full of the offer on the first day of the application period (8 March). – After approval of the private placement on 11 March, Interoil announced on 26 March the completion of the private placement whereby the Company issued at total of 7,265,576 shares with a subscription price of 1.33 NOK per share resulting in gross proceeds of approximately NOK 9.7 million.

Colombia Operations:

2019	– Vikingo's production started being transported and sold through Perenco´s pipeline at Oropendola station 15 km east from the well site, allowing a significant reduction in road maintenance expenses. – Colombian authorities confirmed an extension of the Altair license until April 2020.

2020	– In March, the President of Colombia acknowledged sanitary emergency due to the oil price crisis plus the impact of the Covid-19 pandemic, declaring the economic, social and ecological emergency in Colombia. – Since March, Interoil ceased to provide services for the operation and maintenance of the Toqui-Toqui field. – In reference to the declaration of emergency, on 7 April 2020, the ANH set 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. Interoil was granted the extension as requested for both Altair and LLA-47 and as a result the new expiration dates of the exploration terms are 27 April 2021 for Altair and 7 February 2022 for LLA-47. – In April, Interoil had to shut-in production from Puli C because associated gas production could not be injected into the Colombian Gas National trunkline system (due to limited gas demand volume from end-users). – In May, Interoil decided to temporarily shut down production from Vikingo due to low oil prices. Vikingo's production was resumed in July 2020. – In May, Interoil declared Vikingo's commercial discovery, vis-à-vis the ANH, as a step towards a production concession. – In May, Puli C gas sales slowly reopened thus Interoil designed a well-by-well reactivation program to bring Mana, Rio Opia and Ambrosia fields back on stream. – In June, Vikingo's production was slowly brought back on stream reaching a steady production flow 25% higher than prior to its closure. – Interoil is working on the process to obtain environmental approvals required to convert the LLA-47 exploration license into a production concession on Vikingo.
2021	– On 4 March, Interoil announced a farm-out agreement with SLS and Quantum Resources for the drilling of an exploratory well (Mazorca) in the Altair block. – On 29 March Interoil announced that it has entered into a farm-out agreement with SLS and Quantum Resources for the drilling of two exploratory wells (Malevo.x-1 and Jaca.x-1) in the LLA-47 block.

Upcoming activities in Colombia

Interoil's work program for the Puli C block includes the hiring of a pulling unit for at least four months to perform downhole repair work in some producing wells, which would increase current production levels by 25%; expecting to start around May.

In the Altair block, Interoil is already preparing material and a drilling rig in the Altair-1 well site to execute one exploration well, Mazorca.x-1, to be spudded in the first half of April. The Company has entered into an agreement with SLS and Quantum Resources to carry out the required investments (see Business Critical Contracts below). The Company has further carried out a successful private placement aimed at securing funding for this project.

In the LLA-47 block, Interoil is planning to drill two additional exploration wells this year, Malevo.x-1 and Jaca.x-1. This Drilling Campaign will commence shortly after the Mazorca.x-1 well is drilled, completed, and tested using potentially the same drilling rig. Interoil, together with SLS and Quantum Resources, have reached a commercial agreement where-by SLS and Quantum resources will gain a 22 percent equity interest in any production flowing from any of these wells against investing 60 percent of the drilling expense. The cost of these wells is estimated at between US$ 3.0 million (for dry well) and US$ 3.3 million (for a successful discovery) each. The Jaca.x-1 well will require civil works (road and well site construction) prior to the arrival of any drilling rig, and the spud date must coincide with the arrival of the dry season (November) once flooding from the Meta river recedes. Interoil will continue working on completing the remaining seven committed exploration wells in this block. No assurance can be given that the Company shall be able to complete as and when due and/or expected any of the activities and operations described in this section Upcoming Activities in Colombia.

Argentina Operation:

2019	– In April, Interoil enters Argentina through the acquisition of two exploitation concessions (Mata Magallanes Oeste and La Brea) plus one exploration contract, Cañadón Ramírez. – After the acquisitions agreed upon in April, Interoil started a detailed surface equipment inspection process (tie-in lines, storage tanks, oil and gas treatment equipment, instruments, etc.) to replace and/or identify old, rusty or faulty material at MMO.
2020	– In January, Interoil acquired an 8.34 % participating interest in five exploitation concessions in the Santa Cruz province. The consideration payable for the acquisition consisted in shares of the Company. – In March, the President of Argentina declared a sanitary emergency for a term of one year. Further regulations instructed a quarantine and social isolation which seriously limited social and economic activity and impacted negatively in the demand and price of hydrocarbons. – In April, domestic energy prices were severely affected as part of the deterioration of the economic activity; hence Interoil was forced to shut-in all producing oil fields whilst leaving only gas fields on stream. – In August, local oil prices were slowly recovering and Interoil gradually opened oil wells whose lifting costs would contribute with a positive economic margin to the portfolio. Oil production was re-established to 240 bopd while gas sales continued.
2021	– In March, Interoil entered into an agreement with Velitec for the reopening of 15 wells in Mata Magallanes Oeste.

Upcoming activities in Argentina

In Argentina, most of the work program is focused on the Santa Cruz and MMO operations. For the SC operations, the program consists in the installation of 21 km plastic water pipeline to replace an old and corroded steel pipeline. This pipeline gathers produced water from different production wells to be injected into different disposal wells spread out in the Chorrillos block. This replacement of the existing and new water gathering system will reduce field operational costs whilst allowing the re-opening of shut-in wells to increase oil production by 600 bopd and add 2 MMscfpd of gas sales. This well re-opening will also require different downhole repairs in some wells. Thus, Interoil is already preparing and certifying the pulling rig assigned to SC's operations to be able to conduct an intervention campaign aimed at open oil production.

At the MMO field, the Company intends to put oil production back on stream after the downhole intervention of two gas wells and is working with a local service company in the refurbishing and certification approval of the surface facilities in LM#3 (an independent Oil Storage Facility placed in the nearby Las Mesetas field). The re-opening of oil production will start initially from 15 shut-in wells aimed at increasing production to around 120 bopd from the current 17 bopd. MMO's oil production will be trucked to a LM#3 where oil could either be sold directly at site or be pumped through an open access oil pipeline (operated by YPF) to TERMAP, an export terminal, located in the city of Caleta Olivia. The LM#3 export alternative further strengthens MMO's economic and operational performance. No assurance can be given that the Company shall be able to complete as and when due and/or expected any of the activities and operations described in this section Upcoming Activities in Argentina.

3.7 Related party transactions

The related parties of the Company are comprised of subsidiaries and members of the Board of Directors and key employees. The Company has not entered into any related party transactions in the last two years previous to the date of this Prospectus.

3.8 Business critical contracts

Critical agreements include the licenses and agreements entered into with the relevant authorities, and the other agreements entered into for the fulfillment of commitments assumed by the Company and which violation exposed the Company to substantial liabilities.

In the case of Colombia, existing commitments arise out of the licenses entered into with the ANH in relation to the Altair and the LLA-47 blocks.

With regard to the Altair block, Interoil is the operator and holds 100% of the title to this exploration block. The Company is required to drill one well by 27 April 2021. Interoil has entered into a participation agreement with SLS and Quantum Resources, both Colombian companies, whereby Interoil shall assume 50% of the investment costs for the drilling of the well and SLS and Quantum Resources shall provide the funding of the remaining 50%. Should the well result in a dry well each party shall bear the respective losses and the Company shall have no liability whatsoever to SLS or Quantum Resources for reimbursement or compensation of invested amounts. If the drilling results in a discovery, 100% of the production shall initially be allocated to repay the investments made by each party and once such repayment is done, the future production shall be allocated among the parties in accordance with their respective working interests (WI) of 22% for SLS/Quantum Resources and 78% for Interoil. Drilling of the well shall be made pursuant to a drilling agreement to be entered into by Interoil, who shall at all times continue to be vested with 100% of the title to the block and shall remain operator under the license. Satisfaction of the pending commitment shall require completion of the undertakings and obligations of Interoil and SLS and Quantum Resources under the participation agreement as well as of the company that shall perform the drilling of the well. No assurance can be given that any such obligations shall be met in full as and when required to meet Interoil's obligations vis-à-vis the ANH.

Interoil is the operator and holds 100 % working interest of the LLA-47 exploration block. Interoil has combined phase 1 and phase 2 of the license agreement and has commitments to drill 10 wells with estimated costs of USD 30 million. The ANH has agreed to change the work requirements to 10 wells (one of which has already been drilled -Vikingo.x-1-) and 4,098 geochemistry samples in replacement of well coring and other exploration well activities (already fulfilled).

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 (of which the drilling of nine exploration wells are pending), and (2) have in place bank guarantees -with the possibility of partially providing an insurance- in respect of the required amounts (already fulfilled).

According to the LLA-47 exploration contract, Interoil is required to drill nine more exploration wells by or before 7 February 2022. From a pure operational standpoint, the timing involved in drilling one exploration well would be around 10 to 15 days (depending on the formation target depth) plus 10 to 15 days to move the drilling rig from one well to the following one should all civil works (access roads and well site location) be ready. Hence material challenges lay on construction work, particularly when building access roads and well site locations, where construction is challenging especially when the Meta river floods the area during the rainy season (May-November). Once roads and well site locations are built, then operations can run 7/24 (seven days a week – 24 hours a day) where trucks would bring equipment and material as well as take any oil production for sale. In addition, each drilling and related construction are subject to a previous mandatory engagement with local communities aimed at informing the affected communities and securing the local acceptance for the project.

Interoil has entered into a participation agreement with SLS and Quantum Resources for the drilling of two wells (Malevo.x-1 and Jaca.x-1), subject to the obtainment by Interoil of the required funding. Under such farm-out agreement Interoil shall assume 40% of the investment costs for the drilling of the wells and SLS and Quantum Resources shall provide the funding of the remaining 60%. In exchange, SLS and Quantum shall gain a 22 percent equity interest in any production flowing from any of these wells. Should any well result in a dry well each party shall bear the respective losses and the Company shall have no liability whatsoever to SLS or Quantum Resources for reimbursement or compensation of invested amounts. If the drilling results in a discovery, 55% of the results of the production shall be allocated to repay the investments made by each party and the remaining 45% shall be distributed according to the equity interest (78% for Interoil and 22 for SLS/Quantum). Following full repayment of investments any further results from production shall be allocated 78% to Interoil and the 22% balance to SL/Quantum Drill. Drilling of the wells shall be made pursuant to a drilling agreement to be entered into by Interoil, who shall at all times continue to be vested with 100% of the title to the block and shall remain operator under the license. Satisfaction of the pending commitment shall require completion of the undertakings and obligations of Interoil and SLS and Quantum Resources under the participation agreement as well as of the company that shall perform the drilling of the well. No assurance can be given that any such obligations shall be met in full as and when required to meet Interoil's obligations vis-à-vis the ANH.

If Interoil fails to meet the drilling commitments pending, Interoil shall be liable to the ANH for the amount of the commitments that were not met. Failure to meet the drilling commitment may result from lack of funding by Interoil, failure of contractors to carry out drilling when and as due, other actions road blocking the ability of Interoil to secure the required constructions for the drilling project (e.g. community opposition), among others. No assurance can be given that no material adverse condition may affect Interoil preventing the Company to meet any of its pending commitments. In the event that the ANH resolves to terminate the contract because Interoil has not fulfilled its exploration commitments in LLA47 such termination would lead to loss of LLA-47 licenses (but should not affect the wells discovered that have been transformed into exploitation concessions) and could have a material adverse effect on Interoil's business, financial condition, operating results and/or cash flows.

Interoil is the operator and holds a 70% interest in the Puli C block through a contract with Ecopetrol, who retained the remaining 30%. In March last year, Ecopetrol assigned the contract to Hocol (a sister company) as its representative entity in the contract and since then Hocol has been managing the Puli C with Interoil. This contract includes three existing fields (Mana, Ambrosia and Rio Opia) plus some exploration acreage all around them. Even though contractual obligations are already met, Interoil sustains production at these fields by applying different artificial lifting techniques aimed at optimizing the extraction of the ultimate hydrocarbon accumulation. Prior to executing any work in any of these three fields, Hocol's written approval is required so as to enable Interoil to then issued a "cash-call" to Hocol for the 30% participation interest to cover the approved field work. This approval process takes place through Operating Committee Meetings (OCM) every month for the months ahead. Failure in the pre-approval process could expose Interoil to be the sole responsible in financing 100% of the work program. Likewise, prior to the end of every year, Interoil is required to prepare a budget for the following year that must be approved by Hocol. Interoil must operate the fields in accordance with the approved budget. Should a budget operation exceed by 10% of its approved value then Interoil runs the risk to fully fund the operation. Finally, the Puli C contract expresses that in the event that the operator underperforms its duties Hocol could remove the operator and even call the contract for termination. Termination of the contract or removal of the Company as operator could adversely affect Interoil.

In Argentina, Interoil holds different participating interests, including minority interests, in exploitation concessions and exploration contracts, has the right to act as operator (upon authorization of the Governmental authorities) in all the blocks and pending its formal appointment as operator maintains an active role in the operations. In all such contracts and concessions other parties also hold participating interests. Interoil and other parties are parties under joint operating agreements or joint agreements governing their relationship. The contracts and concessions impose obligations on the parties to provide their contributing share in the funding of common expenses for joint operations. Expenses are subject to approval by the parties before the field work or services and/or exploration investment is committed. This approval, including the approval of the annual budget, is typically obtained through the Operating Committee Meetings (OCM) held by the contractual partners. Failure in the pre-approval process and/or in the executing a program in the field could result in field operational and other issues (i.e. blow-out in an exploration well, fire in a gas treatment plant, oil spills, etc), in substantial losses and in violations of the regulatory or contractual obligations vis-à-vis Governmental authorities or instrumentalities. In addition, failure of a party to provide the required funding may also affect the operations and the satisfaction of obligations as and when due and may adversely affect also other parties, including Interoil, irrespective of whether such parties have discharged its obligations properly. This risk is higher where Interoil holds a minority participating interest as it is the case of the SC concessions. Upon formal appointment by Interoil as operator under the relevant joint operation agreements a failure of the operator to discharge its obligations as and when required may expose such operator to liabilities and possible removal. No assurance can be given that any such obligations under the concessions, contracts and joint operating agreements shall be met in full as and when required and that any possible infringement may not result in material adverse consequences for the Company.

Other than as set out above, the Company has not entered into any business critical contracts, 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.

3.9 Risk factors related to the Company and the industry in which it operates

3.9.1 Overview

An investment in the Offer Shares involves inherent risk. Before making an investment decision with respect to the Offer Shares, investors should carefully consider the risk factors and all information contained in this Prospectus. The risks and uncertainties described in this section 3.9, and in section 4.14 "Risk factors related to the Offer Shares and the Share Issue" are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are relevant to an investment in the Offer Shares. An investment in the Offer 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. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described in this section 3.9, and in section 4.14 "Risk factors related to the Offer Shares and the Share Issue", should not be considered prior to making an investment decision in respect of the Offer Shares. If any of the risks described in this Prospectus were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Company and/or its business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value of the Offer Shares, resulting in the loss of all or part of an investment in the same.

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Company's business, financial condition, results of operations, cash flows and/or prospects. The risks mentioned herein could materialise individually or cumulatively.

3.9.2 Market risks

Interoil's oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the 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 Company, and from time to time, delays exploration and development activities, which in turn could negatively affect the Company's business, results of operation and financial condition. Further, to the extent Interoil is not the operator of its oil and gas properties, the Company 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 Company.

3.9.2.1 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 Company's net production revenue and overall value, potentially leading to write-downs. Further, the economics of producing from some of the Company's wells and assets may change as a result of lower prices which may result in a reduction in the volumes of the Company'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 Company's net production revenue and overall value.

3.9.2.2 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 Company'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 Company operating in several jurisdictions, the risk of non-compliance with any applicable legislation is increased. There can be no assurance that the Company'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 Company's interpretation of prevailing laws and regulations, this could have a material adverse effect on the Company's business, results of operation and financial condition.

3.9.2.3 The impact on the environment form 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 Company 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 Company's financial condition, results of operations or prospects.

3.9.2.4 The Company may not be successful in implementing its strategies in the future.

The Company may not be successful in implementing its strategies in the future. The adopted strategies may not be right for the Company or may not result in fulfilment of the financial goals or other objectives. The Company's future development and success depends on the strategies being accurate for the Company, that the measures are being efficiently and correctly implemented and that they provide the expected result. If the strategies are not accurate for the Company or are not accurately implemented or implemented within the expected time frames, earnings may not be maintained or grown and savings may not be realised. This may negatively affect the Company's business, results of operations, financial position, profitability and future prospects.

3.9.2.5 Legal proceedings, disputes and investigations.

The Company 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 Company, potentially resulting in a material adverse effect on the Company's business, financial condition, operating results and/or cash flows.

3.9.2.6 Adverse market conditions resulting from ongoing Covid-19 pandemic

The Company has been adversely affected by the impact of the Covid-19 pandemic in the oil and gas markets. Such adverse consequences included dramatic fall of demand and price, operational bottlenecks, contractual defaults or delays in performance, deficiencies in workforce availability, transport difficulties, among others. Consequences have been especially hard in the Latin American jurisdictions where the Company operates. Governmental measures adopted in Colombia and Argentina have only partially offset the negative effects of the pandemic. The continuation of the pandemic represents an ongoing risk on the activities of the Company. No assurance can be given that the Company shall not affected by the adverse consequences of the pandemic or by the deterioration of its effects and/or that the Company shall receive appropriate and timely compensatory helps by Governments to offset all adverse effects that may impact on Interoil.

3.9.3 Operational risks

3.9.3.1 The Company'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.

3.9.3.2 The Company may not be able to discover new reserves

The Company's future oil and gas reserves, production and cash flows are highly dependent on the Company successfully identifying new discoveries. Without the addition of new reserves, any existing reserves the Company 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 Company's reserves will depend not only on the Company'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 Company's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and gas. Should the Company not discover additional reserves, current operations will not be sustainable.

3.9.3.3 The Company's production is concentrated in a small number of fields

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

3.9.3.4 Licenses, permits, concessions and authorizations

The Company's operations depend, and will continue to depend, on authorizations, permits, concessions, and licenses from Colombian and Argentine authorities, government-owned entities and regulatory agencies. The Company 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 the Company's technologies and operations could be required, and the Company could be required to make unbudgeted capital expenditures, which could lead to an increase in the Company's cost base, reduce profitability and/or adversely impact cash flows.

Further, the Company 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 Company not be able to meet the minimum requirements or provide sufficient cash to support the work programs, the licenses of the Company may be terminated by and, in the case of Colombia, the Company may be banned to contract with the ANH for 5 years. Loss of profitable licenses could have a material adverse effect on the Company's business, financial condition, operating results and/or cash flows.

3.9.3.5 Joint Venture structure and minority participations

The Company holds participating interests in Argentine under a concession and contractual structure whereby Interoil is not the sole title holder and other parties also hold participating interests in the blocks. Joint operations in such cases are subject to approval by Interoil and the counterparties and the ability to carry out operations and meet obligations dependent upon the contribution of the required funding by Interoil and by such other counterparties. In certain concessions, Interoil holds a minority participating interest and therefore funding of joint operation is largely dependent upon the contributions from the majority contractual partners. No assurance can be given that joint operations shall be approved as and when expected or required by Interoil, that the required funding shall be provided as and when due to provide finance and that no adverse effect shall impact the Company from any such failures.

4 INFORMATION ON THE SHARE ISSUE AND THE OFFER SHARES

4.1 Purpose and background for the Share Issue

On 29 March 2021, the Company announced a new transaction which adds further momentum to the Company's exploration activity in Colombia. In addition, Interoil will invest in further development activity in Argentina.

In Colombia, the Company has signed a participation agreement with SLS and Quantum Resources for the drilling of up to two exploration wells in LLA-47, namely Jaca.x-1 and Malevo.x-1. This agreement is subject to Company's obtainment of the funding required to meet its obligations under the agreement.

In Argentina, Interoil will invest in the re-opening of the remaining 19 wells in the Mata Magallanes Oeste oil field. The Company had earlier signed an agreement with Argentine drilling services company Velitec SA, for the re-opening of an initial 15 wells.

The Share Issue is aimed at securing funding for the investments mentioned above.

4.2 Conditions for completion of the Share Issue

The completion of the Share Issue is subject to the corporate resolutions of the Company required to implement the issue of the Offer Shares, including the Company's board of directors resolving to consummate the Share Issue and allocate the Offer Shares. Applicants acknowledge that the Share Issue will be cancelled if the Conditions are not fulfilled, and may be cancelled by the Company in its sole discretion for any other reason. The Company will not be liable for any losses if the Share Issue is cancelled, irrespective of the reason for such cancellation.

4.3 Number and type of securities offered

Up to 25,342,462 Offer Shares will be issued based on the received applications by the Company during the Application Period. The Offer Shares are ordinary shares in the Company, and will be registered in the VPS in book-entry form.

4.4 Rights attached to the Offer Shares

The Offer Shares will be ordinary Shares in the Company, each having a par value of NOK 0.50. The rights attached to the Offer Shares will be the same as those attached to the Company`s existing Shares, and the Offer Shares will rank pari passu with existing Shares in all respects from such time as the share capital increase in connection with the Share Issue is registered with the Norwegian Register of Business Enterprises.

The holders of the Offer Shares will have a right to dividend from the time the share capital increase is registered in the Norwegian Register of Business Enterprises.

The Company's Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.

4.5 ISIN

The Offer Shares will be registered under the same ISIN as the Company's other Shares (i.e. ISIN NO 0010284318).

4.6 Offer Price

The subscription price per Offer Share is NOK 1.46.

4.7 Proceeds and costs related to the Share Issue

Assuming the Share Issue us fully subscribed, the gross proceeds from the sale of the Offer Shares in the Share Issue are expected to be approximately NOK 37,000,000, with expected net proceeds of approximately NOK 36,000,000, based on estimated total transaction costs of approximately NOK 1,000,000 related to the Share Issue.

No expenses will be charged by the Company to the investors in the Share Issue.

4.8 Eligible applicants in the Share Issue

The Share Issue is directed towards (i) investors in Norway and (ii) other investors who are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action.

Any allocation of Offer Shares in the Share Issue is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Application Form. VPS accounts can be established with authorized VPS registrars, who can be Norwegian banks, authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the Financial Supervisory Authority of Norway.

4.9 Minimum and maximum application in the Share Issue

The minimum application in the Share Issue is NOK 10,000 per applicant. There is no maximum application in the Share Issue.

4.10 Allocation and resolution to issue the Offer Shares

Allocation of the Offer Shares will be made at the sole discretion of the Company's Board of Directors. The Board of Directors reserves the right to reduce or cancel any application for Offer Shares.

Allocation of the Offer Shares will take place on or about 14 April 2021. Information of allocation and payment instructions will be sent to the applicant on or about 15 April 2021 by way of a notification through VPS or a notification issued by the Company.

The resolution to issue the Offer Shares is expected to be made by the Company's Board of Directors on or about 14 April 2021, based on an authorisation granted by the Company's general meeting on 30 June 2020.

4.11 Application Period and procedures for application

The Application Period will take place from 6 April 2021 at 09:00 (CEST) to 13 April 2021 at 16:30 (CEST). The Company reserves the right to shorten or extend the Application Period at any time and at its sole discretion, but the Application Period will in no event be extended beyond 23 April 2021 at 16:30 (CEST). In the event of a shortening or an extension of the Application Period, the other dates related to the Share Issue may be amended accordingly. Further, the Company reserves the right to cancel the Share Issue, or reduce the number of shares to be issued through the Share Issue.

Applications for Offer Shares shall be made by correctly completing and signing an application form (the "**Application Form**"), attached hereto as Appendix B, and delivering the same to the Company within the Application Period at the following e-mail:

retail@dnb.no

Norwegian investors with access to VPS investor services may also submit applications online using VPS investor services.

Applications will be binding from the time they are submitted, and may not subsequently be withdrawn by the applicant.

The applicant is responsible for the correctness of the information contained in the Application Form. Application Forms received after the end of the Application Period and/or incomplete or incorrectly completed Application Forms may be disregarded at the sole discretion of the Company. The Company shall not be held responsible for unavailable internet lines or servers or other logistical or technical problems that may result in applications not being received in time or at all by the Company.

4.12 Payment and delivery of the Offer Shares

The payment for Offer Shares allocated to an application falls due on 16 April 2021 (the "**Payment Date**"), subject to any shortening or extensions of the Application Period, and any further settlement details will be stated in the Notification. By applying for shares in the Share Issue, subscribers having a Norwegian bank account irrevocably authorise DNB Bank ASA (the "Settlement Agent") to debit the bank account specified in the Application Form for the subscription amount payable for the Offer Shares allocated to the applicant. The Settlement Agent is only authorised to debit such account once, but reserves the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date. The applicant furthermore authorises the Settlement Agent to obtain confirmation from the applicant's bank that the applicant has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in an applicant 's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the applicant, the applicant's obligation to pay for the Offer Shares will be deemed overdue. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the subscriber must contact the Settlement Agent (DNB Bank ASA) on telephone number +47 23 26 80 20 for further details and instructions.

The allocated Offer Shares will be delivered to the Applicant's VPS account as soon as practicable after full payment has been received and the conditions for completion of the Share Issue have been met. The allocated Offer Shares are expected to be delivered to the applicant's VPS account on or about 27 April 2021.

Should payment be delayed for any reason, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments, which at the date of this Prospectus is 8.00% per annum.

4.13 Terms and Conditions for Payment by Direct Debiting - Securities Trading

Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will apply:

a) The service "Payment by direct debiting – securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.

b) Costs related to the use of "Payment by direct debiting – securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.

c) The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.

d) In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.

e) The payer cannot authorise payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.

f) The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.

g) If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

4.14 Risk factors related to the Offer Shares and the Share Issue

4.14.1 Overview

An investment in the Offer Shares involves inherent risk. Before making an investment decision with respect to the Offer Shares, investors should carefully consider the risk factors and all information contained in this Prospectus. The risks and uncertainties described in this section 4.14, and in section 3.9 "Risk factors related to Company and the industry in which it operates", are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are relevant to an investment in the Offer Shares. An investment in the Offer 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. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described in this section 4.14, and in section 3.9 "Risk factors related to the Company and the industry in which it operates", should not be considered prior to making an investment decision in respect of the Offer Shares. If any of the risks described in this Prospectus were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Company and/or its business, financial condition, results of operations, cash flows and/or prospects, which could cause a decline in the value of the Offer Shares, resulting in the loss of all or part of an investment in the same.

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Company’s business, financial condition, results of operations, cash flows and/or prospects. The risks mentioned herein could materialise individually or cumulatively.

4.14.2 Financial risks

4.14.2.1 Indebtedness

The Company 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 Company’s current or future financing agreements may cause the lenders to require repayment of the financing immediately and to enforce security granted over the Company’s assets, including its subsidiaries, which in turn could have a material adverse effect on the Company and its ability to carry on business operations.

Further, if the Company 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 Company to pay significantly higher interest going forward.

4.14.2.2 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.

4.14.2.3 Currency risk

The Company is 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, recognized assets and liabilities and the investment of excess liquidity. Currently, the Company uses no derivative financial instrument to hedge the above-mentioned risk exposure.

4.14.2.4 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.

4.14.2.5 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.

4.14.2.6 Pre-emptive rights to secure and pay for Shares in additional issuance could be unavailable to U.S. or other shareholders.

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders, existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares, and doing so in the future could be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

4.15 Governing law and legal venue

The Prospectus and the Share Issue are subject to Norwegian Law. Any dispute arising in respect of or in connection with this Prospectus or the Share Issue is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue in the first instance.

5 INCORPORATION BY REFERENCE

The following documents are incorporated into this Prospectus by reference:

Document	Reference link
The Company's audited consolidated annual financial statement for the year ended 31 December 2018	https://ml-eu.globenewswire.com/Resource/Download/05387693-d567-494f-95e4-b723ac0817b1
The Company's audited consolidated annual financial statement for the year ended 31 December 2019	https://ml-eu.globenewswire.com/Resource/Download/f29c968c-8371-4128-8f0c-b8b878ebd5a2
The Company's unaudited consolidated interim financial report for Q4 2020	https://ml-eu.globenewswire.com/Resource/Download/9a844fe8-fff4-4acc-b6d1-8e905faf4d07

APPENDIX A: ARTICLES OF ASSOCIATION

Articles of Association for Interoil Exploration and Production ASA

(as per 10 March 2021)

§ 1

The company's name is Interoil Exploration and Production ASA. The company is a public limited liability company.

§ 2

The company's registered office is in the municipality of Oslo.

§ 3

The company's business shall include exploration, development, production, purchases and sales of oil and gas deposits and production rights as well as related activated, including investments in similar and related business.

§ 4

The company's share capital is NOK 82,189,543.50, divided into 164,379,087 shares, each with a par value of NOK 0.50. The shares shall be registered in the Norwegian Central Securities Depository.

§ 5

The company's board of directors shall consist of a minimum of three and a maximum of seven board members.

§ 6

Shareholders or proxies for such who wish to meet and submit their votes at the general meeting must notify the company of this no later than four days prior to the general meeting.

§ 7

The company shall have a nomination committee, elected by the general meeting. The nomination committee's task is to submit a recommendation to the general meeting regarding election of members to the board of directors. The chair of the board shall, without having voting rights, be summoned to at least one meeting of the nomination committee before it issues its final recommendation.

The nomination committee shall consist of three members. A minimum of two of the members shall be shareholders or representatives of shareholders and independent of the board of directors and the executive management. The nomination committee's members are elected for two years at a time.

§ 8

The annual general meeting shall consider and pass resolutions on the following matters:

1. Approval of the annual accounts and the annual report, including distribution of dividends.

2. Other matters which pursuant to law or the articles of association pertain to the general meeting.

§ 9

When documents which relate to matters for consideration at the general meeting have been made available to the shareholders on the company's web site, the statutory requirement that documents shall be distributed to the shareholders do not apply. This also includes documents which by law shall be included in or appended to the notice of the general meeting.

APPENDIX B: APPLICATION FORM FOR THE SHARE ISSUE

APPLICATION FORM FOR SHARE ISSUE IN INTEROIL EXPLORATION AND PRODUCTION ASA

To be returned to: retail@dnb.no

Please specify the NOK amount of Offer Shares applied for.

Offer price per share:	NOK amount applied for
NOK 1.46	

On the terms and conditions set forth in the national prospectus published by Interoil Exploration and Production ASA and dated 30 March 2021 (the "Prospectus"), the undersigned applicant (the "**Applicant**") hereby confirms the Applicant's request to subscribe for Offer Shares as stated above if issued by the Company. The Applicant further confirms that (i) the Applicant has read and understood the Prospectus, (ii) no due diligence (neither legal, financial, commercial nor technical) has been carried out by any party in connection with Share Issue, (iii) the investment in the Offer Shares is made solely at the Applicant's own risk, (iv) the Applicant is not subscribing for or purchasing Offer Shares, either on the Applicant's own account or for the account of others, in contradiction to the selling and transfer restrictions included in the Prospectus, and (v) the Applicant irrevocably authorises the Chair of the Board (or someone appointed by him), to subscribe for any Offer Shares allocated to the undersigned Applicant.

Application date and place	**Binding signature**
Must be dated in the Application Period	The Applicant must have legal capacity. When signing by authorisation, documentation in form of company certificate or power of attorney must be enclosed

INFORMATION ON THE APPLICANT – ALL FIELDS MUST BE COMPLETED

First name	
Surname/company	
VPS account number	
Bank account number	
Street address	
Post code/district/country	
Personal ID number/ organization number	
LEI number[1]	
Nationality	
E-mail address	
Daytime telephone number	

[1] LEI is a 20-character alphanumeric code assigned to uniquely identify a legal entity that is a counterparty to a financial transaction

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