



Report for the Second quarter and first six months of 2021

Interoil Exploration and Production ASA

c/o Advokatfirmaet Schjødt AS

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Key figures	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021*	Q2 2021
Gross production oil/gas (boe)***	447 890	301 808	346 293	354 287	311 135	302 736
Gross Production oil/gas (average boepd)***	5 032	3 280	3 764	3 850	3 381	3 290
Net production oil/gas (boe)****	110 903	50 045	89 919	93 076	76 437	69 256
Net Production oil/gas (average boepd)****	1 246	543	977	1 011	830	753
Oil/gas sold (boe)	87 664	26 478	89 557	87 912	80 613	78 504
Oil price average (usd/bbl)	49.6	26.7	41.5	45.8	58.3	66.1
Revenues (USDm)	3.5	0.6	2.6	2.3	3.1	3.2
EBITDA	0.7	-0.7	0.1	-2.4	0.6	1.4
EBITDA adjusted (USDm)**	0.9	-0.6	0.2	-1.9	1.1	1.5
Operating profit (USDm)	-1.6	-1.5	-0.7	-5.8	-0.7	1.0
Exploration expenses (USDm)	-0.2	-0.1	-0.1	-0.5	-0.5	-0.1
Net loss/profit (USDm)	-0.9	-2.5	-2.5	-7.9	-1.0	0.3
Cash and cash equivalents (USDm)	5.3	4.5	3.6	3.7	4.6	7.6

* Figures reported here for Q1 2021 EBITDA and EBITDA (adjusted) are higher than those reported in the Q1 report, due to correction in Argentina's working interest percentage appropriation.

** Exploration expenses and nonrecurring items when exist are excluded.

*** Some production figures reported for 2020 could differ from the figures presented in this report due to Argentina production adjustments.

**** Represents the percentage of the participation the company has in the different locations.

Highlights in the period

- Gross production stabilized in Q2 2021 compared with Q1 2021, which had slightly decreased due to the social unrest in Colombia with road blockage causing the suspension of the oil transportation specially from the Vikingo operation.
- During the second half of June the road transportation has been restored, allowing the Vikingo Production to be exported and sold through the Perenco Facilities, as was the case prior to the blockage.
- Interoil continues working actively to move a tower rig to the Puli C fields. The rig will be deployed to restore production which was shut down due to downhole mechanical failures in the well.
- Interoil's EBITDA in Q2 2021 shows an important improvement compared with previous quarters due to COGS and fixed expenses efficiency, combined with the oil price increases.
- On April 26th, the Company successfully completed the second private placement of new shares for USD 2.6M. These funds are earmarked for exploration investment and reserved in the Company's bank account.
- In Argentina, the workover operations at the MMO-15 continues to be suspended due to Covid-19 lockdown imposed by the Argentinian authorities prohibiting critical field experts from arriving the country and downhole equipment from mobilizing to the wellsite.
- With respect to the exploration drilling campaign, Interoil continues waiting for the authorities' required approval prior to spudding a well in Altair and Lla-47 blocks.

Subsequent events and current plans

- On July 27th Interoil announced the payment of the interests of the bond due on August 2nd
- Field operations and production continue at a reasonable level despite the logistics challenges related with the COVID-19 restriction in Colombia and lockdown imposed by the Argentinean authorities.

- Interoil's current exploration drilling campaign initially comprises one well in Altair, Mazorca.x-1 where its main target is the Gacheta Formation, and another one in LLa47, Jaca.x-1, having the Carbonera formation as the primary exploration target.
- In order to satisfy the approval process that any operator is required to carry out prior to the commencement of field activity, Interoil proceeded to make the relevant filings with the ANH for the Mazorca.x-1 during the first week of February 2021. Within such proceedings the ANH has considered that while Mazorca.x-1 is classified as an exploration well, it would not qualify as the type of exploratory well required to satisfy the exploration commitment of the Company.
- While the Company has submitted technical and legal support justifying the drilling of the Mazorca.x-1 well in order to comply with its exploration commitment, the discrepancies with the ANH have continued and are still pending. The Company is seeking to resolve such discrepancies and is following the procedures to that effect.
- Without prejudice to the rights reserved for the drilling of the Mazorca.x-1 well, the Company has also determined another possible exploration well, Guyra.x-1, located in a south-eastern neighbouring structure within the same geological environment as the Mazorca.x-1, and that could satisfy its exploration commitments in lieu of Mazorca.x-1 should this alternative be acceptable to resolve the discrepancies. The Company has indicated this alternative to the ANH.
- This new well aims at exploring a similar and geological related structure for the Carbonera Formation and has already been technically classified by the ANH as an exploratory fulfilment well. Interoil is pursuing a prompt resolution of the matter with the ANH to continue its exploration drilling campaign in Altair and LLA-47.
- Progress in the exploration activities on LLA-47 has been adversely affected by the conjoining effect of social unrest and adverse conditions and restrictions imposed for the ongoing serious impact of the Covid-19 pandemic in the area and the communities located in the vicinities which have prevented advance on the socialization of the project activities.

Portfolio overview

Interoil is an independent oil and 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 onshore oil and natural gas assets. Interoil is an operator and an active license partner in several productions and exploration assets in Colombia and Argentina.

At the end of the second quarter of 2021, Interoil's portfolio consists of two producing licenses and two exploration licenses in Colombia and one exploration concession and seven production concessions in Argentina. The licenses in Colombia were acquired through company acquisitions and open bid-rounds for licenses organised by the authorities. The licences in Argentina were acquired through a share purchase agreement with the previous owner, in the case of the block located in the Provinces of Jujuy and Chubut, and through an asset purchase agreement in the case of the concession located in the province of Santa Cruz.

Following these transactions, Interoil has hydrocarbon production in both Colombia and Argentina. Income from the sale of petroleum and gas is being used to fund further exploration activities and development of these assets and/or acquire new ones.

P&L comments

Interoil's net working interest production after royalties of oil and gas in Colombia and Argentina combined was 69,256 boe in Q2 2021 compared to 76,437 boe in Q1 2021 (See note 10).

Quarterly revenues remain stable in Q2 2021 compared with Q1 2021 at a level of USD3,2M

Q2 2021 operating result including exploration costs expenses was USD 1.0 million compared with USD -0.7 in the previous quarter, this variance was mainly caused by lower costs and lower exploration expenses during the quarter.

Profit before income tax was USD 0.6 million compared with a USD 0.9 million loss in Q1, the main reason for this variance was the better operating result in the quarter.

Total comprehensive income during the quarter was USD 0.3 million compared to a loss of USD 1 million in Q1 2021.

Balance Sheet and Equity

Interoil held USD 7.6 million in cash at the end of the quarter, of which USD 3.1 million was restricted. The restricted cash relates primarily to cash collateral for guarantees and loans.

As of 30 June 2021, book equity for the consolidated Group was negative USD 3.2 million which shows a significant improvement compared with full-year 2020 and Q1 2021.

Of Interoil's non-current liabilities of USD 31.7 million, USD 5.4 million relates to provisions and retirement benefit obligations and USD 22.5 million relates to long term borrowings including the bond loan of USD 21.0 million.

Current liabilities of USD 9.5 million are mainly comprised of trade and other payables/provisions of USD 6.9 million, short term borrowings (including the current part of the bond loan) of USD 1.8 million and provisions for 0.8.

In addition to the interest-bearing debt outlined above, InterOil also has off-balance-sheet commitments relating to required work programs on its exploration licenses (see Annual Report 2020), which are guaranteed with bank standby letters of credit and surety insurance. InterOil complies with the ANH guarantee requirements.

Cash flow

The Group had total cash and cash equivalent non-restricted of USD 3.9 million during the first half of 2021, out of which USD 2,9 are from financing activities, USD 0,8M are from operations activities and USD 0,2M are from investing activities.

Statement of responsibility

The Board of Directors and the General Manager have today reviewed and approved the unaudited half-year interim financial report for the period 1 January to 30 June 2021.

The interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting” in the context of the International Financial Reporting Standards (IFRS) as adopted by EU and additional Norwegian disclosure requirements for interim financial reports of listed public limited companies.

We consider, to the best of our knowledge, the accounting policies applied to be appropriate. Accordingly, the interim report gives a true and fair view of the Group’s assets, liabilities, financial position and result as at 30 June 2021.

Oslo, 16 August 2021

Hugo Quevedo
Chairman
(sign)

Nicolas Acuña
Board member
(sign)

Francisco Voza
General manager
(sign)

Isabel Valado Ramudo
Board member
(sign)

Carmela Saccomanno
Board member
(sign)

German Ranftl
Board member
(sign)

Laura Marmol
Board member
(sign)

Consolidated interim statement of comprehensive income

Amounts in USD 1 000	Note	For the 3 months period ended 30 June 2021	For the 3 months period ended 30 June 2020	For the 3 months period ended 31 March 2021*	For the 6 months period ended 30 June 2021	For the 6 months period ended 30 June 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales	4	3.195	629	3.070	6.265	4.086
Cost of goods sold ex depreciation	5	-1.163	-883	-1.516	-2.679	-2.808
Depreciation	5	-427	-720	-1.291	-1.718	-3.002
Gross profit		1.605	-974	263	1.868	-1.724
Exploration cost expensed		-133	-147	-514	-647	-347
Administrative expense		-583	-464	-488	-1.071	-1.248
Other (expense)/income		62	125	49	111	254
The result from operating activities		951	-1.460	-690	261	-3.065
Finance income	6	125	104	880	1.005	2.503
Finance cost	6	-455	-2.218	-1.083	-1.538	-3.168
Finance expense – net		-330	-2.114	-203	-533	-665
(Loss) before income tax		621	-3.574	-893	-272	-3.730
Income tax (expense)/credit	9	-351	1.110	-132	-483	377
(Loss) profit from continuing operations		270	-2.464	-1.025	-755	-3.353
Other comprehensive loss		0	0	0	0	0
Total comprehensive (loss) profit for the period, net of tax		270	-2.464	-1.025	-755	-3.353
Attributable to:						
Equity holders of the parent		270	-2.464	-1.025	-755	-3.353
(Loss)/profit per share (expressed in USD)						
– basic and diluted – total		0,00	-0,02	-0,01	-0,00	-0,02
– basic and diluted – continuing operations		0,00	-0,02	-0,01	-0,00	-0,02

* Some figures related to Q1, 2021 could differ from the figures presented in the Q1 2021 report due to correction in Argentina's WI percentage appropriation.

Notes 1 to 10 are an integral part of these condensed consolidated financial statements.

Consolidated interim statement of financial positions

Amounts in USD 1 000	Note	As of 30 June, 2021	As of 31 December 2020
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	20.978	22.774
Exploration and evaluation assets		3.605	3.605
Other non-current assets		1.700	1.774
Total non-current assets		26.283	28.153
Current assets			
Inventories		510	490
Trade and other receivables		1.827	1.021
Assets held for sale		1.746	1.746
Cash and cash equivalents, restricted		3.070	3.064
Cash and cash equivalents, non-restricted		4.514	604
Total current assets		11.667	6.925
TOTAL ASSETS		37.950	35.078
EQUITY			
Share capital and share premium		163.705	160.145
Other paid-in equity		4.744	4.744
Retained earnings		-171.671	-170.916
Total equity		-3.222	-6.027
LIABILITIES			
Non-current liabilities			
Borrowings	8	22.471	23.322
Retirement benefit obligations		647	762
Provisions for other liabilities and charges		5.406	5.614
Other long term payables		3.163	3.461
Total non-current liabilities		31.687	33.159
Current liabilities			
Trade and other payables		6.876	6.055
Income taxes payable		-50	-563
Current interest-bearing liabilities	8	1.844	1.609
Provisions for other liabilities and charges		815	845
Total current liabilities		9.485	7.946
TOTAL LIABILITIES		41.172	41.105
TOTAL EQUITY AND LIABILITIES		37.950	35.078

Notes 1 to 10 are an integral part of these condensed consolidated financial statements.

Consolidated interim statement of changes in equity

As of 30 June 2021

Amounts in USD 1 000	Share capital and share premium	Other paid-in equity	Retained earnings	Total equity
Balance at 31 December 2019	142,095	4,744	-157,122	-10,283
				(Audited)
Total comprehensive loss for the period	-	-	-13,794	-13,794
Capital increase	18,050	-	-	18,050
Balance at 31 December 2020	160,145	4,744	-170,916	-6,027
				(Unaudited)
Total comprehensive loss for the period	-	-	-755	-1,025
Capital increase	3,560	-	-	3,560
Balance at 30 June 2021	163,705	4,744	-171,671	-3,222

Notes 1 to 10 are an integral part of these condensed consolidated financial statements.

Consolidated interim cash flow statement

Amounts in USD 1 000	Note	For the 6 months the period ended 30 June 2021 (Unaudited)	For the 12 months the period ended 31 December 2020 (Audited)
Cash generated from operations			
Comprehensive loss for the period – continuing operations		-755	-13.794
Total comprehensive loss of the period		-755	-13.794
Depreciation, amortization and impairment		1.590	7.353
Interest income	6	-4	-29
Interest expense	6	1.100	3.586
Other net financial expense		-563	819
Impairment loss on PP&E		0	147
Changes in assets & liabilities			
Inventories		-20	357
Trade and other receivables		-806	210
Trade and other payables/provision and other liabilities		261	2.339
Net cash generated from operating activities		803	988
Cash flows from investing activities			
Net movement of PP&E		206	-1.041
Net cash used in investing activities		206	-1.041
Cash flows from financing activities			
Interest paid		-579	-809
Repayment of borrowings		0	-332
Increase in non-current assets		-74	10
Changes in restricted cash classification		-6	21
Capital increase (Share subscription)		3.560	-
Net cash used in financing activities		2.901	-1.110
Net change in cash and cash equivalents		3.910	-1.163
Non-restricted cash and cash equivalents at beginning of the period		604	1.767
Non-restricted cash and cash equivalents at end of the period		4.514	604

Notes 1 to 10 are an integral part of these condensed consolidated financial statements.

Note 1. Corporate information

Interoil Exploration and Production ASA (“the Company”) and its subsidiaries (together ‘the Group’ or Interoil) is an upstream oil exploration and production company focused on South America. The company is an operator of production and exploration assets in Colombia.

The Company is a Norwegian Public limited liability company incorporated and domiciled in Norway. The Company is listed on the Oslo Stock Exchange. The Company is registered in the Register of Business Enterprises with organisation number 988 247 006. The Company’s registered office is c/o Advokatfirmaet Schjødt AS Ruseløkkveien 14, 0251 Oslo, Norway.

The condensed consolidated interim financial information for the period ended 31 March 2021 included the company and its subsidiaries. This condensed consolidated interim financial information has been authorised for issue by the Board of Directors on 15 July 2021.

Note 2. Accounting policies

Interoil’s condensed consolidated interim financial information is prepared following IAS 34, in the context of the International Financial Reporting Standards (IFRS) as adopted by the European Union.

The same accounting policies and methods of computation, except those disclosed below, are followed as compared with the financial statements for the year ending 31 December 2019, including IFIRC 19 and this condensed consolidated interim financial information should therefore be read together with the consolidated financial statements for the year ended 31 December 2020 prepared following IFRS as adopted by the European Union.

The condensed interim financial information provides, in the opinion of management, a fair presentation of the financial position, results of operations and cash flows for the dates and periods covered based on the assumption of going concern. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period.

The financial statements in the Q1 2021 Report have been prepared under the going concern assumption following the Norwegian Accounting Act § 3-3 and the Board of Directors hereby confirms that this assumption is valid.

The income for 2021 is dependent on two factors: current flowing production and the future production of the drilling of three new exploratory wells. Significant uncertainty is present on the outcome of these explorations and therefore, on future income coming from that source. At this stage, the Board is confident that the ongoing operations will have a positive outcome (see notwithstanding the highlights note on delays in exploration activities for Altair and LLA-47 blocks). However, if some of the ongoing initiatives are materially delayed or turn out with a negative production result after the investment is completed, this situation might affect the company’s cash flow.

Should the Group be affected by the consequences of the exploration activities, the valuation of the Group’s assets will need to be further revised; leading to potential further impairment

The condensed interim financial information is unaudited

Note 3. Segment information

For the 3 months period ended 30 June 2021 (Unaudited)

Comprehensive Income

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group
Total revenue	2.748	447	125	-125	3.195
Cost of goods sold ex depreciation	-887	-276	0	0	-1.163
Depreciation	-353	-74	0	0	-427
Gross profit	1.508	97	125	-125	1.605
Exploration cost expensed	-133	0	0	0	-133
Administrative expense	-450	-102	-156	125	-583
Other income	62	0	0	0	62
Result from operating activities	987	-5	-31	0	951
Finance income	395	-6	245	-509	125
Finance costs	120	-5	-1.079	509	-455
Loss before income tax	1.502	-16	-865	0	621
Income tax expense	-351	0	0	0	-351
Loss for the period	1.151	-16	-865	0	270

Financial Position* (As of June 30, 2021)

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group
Property, plant and equipment	12.649	8.717		-388	20.978
Exploration and evaluation assets		3.605			3.605
Other non-current asset	800	157	743		1.700
Trade and other receivables	1.441	318	68		1.827
Cash and cash equivalents	4.132	97	3.355		7.584
Interest-bearing liabilities	1.873		22.442		24.315
Trade and other payables	3.277	1.221	2.378		6.876
Prov. for other liabilities and charges	3.873	1.948	400		6.221

* For financial position is disclosed only lines were different segments have 10% or more.

For the 3 months period ended 30 June 2020 (Unaudited)

Comprehensive Income

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group
Total revenue	653	-24	20	-20	629
Cost of goods sold ex depreciation	-486	-397	0	0	-883
Depreciation	-720	0	0	0	-720
Gross profit	-553	-421	20	-20	-974
Exploration cost expensed	-147	0	0	0	-147
Administrative expense	-359	0	-125	20	-464
Other income	125	0	0	0	125
Result from operating activities	-934	-421	-105	0	-1.460
Finance income	103	0	529	-528	104
Finance costs	-822	0	-1.924	528	-2.218
Loss before income tax	-1.653	-421	-1.500	0	-3.574
Income tax expense	1.112	0	0	0	1.112
Loss for the period	-541	-421	-1.500	0	-2.462

Financial Position* (As of June 30, 2020)

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group
Property, plant and equipment	32.002			-1.308	30.694
Other non-current assets					0
Exploration and evaluation assets	793		786		1.579
Trade and other receivables	928		15		943
Cash and cash equivalents	4.362	96	55		4.513
Interest-bearing liabilities	2.115		20.982		23.097
Trade and other payables	3.757		3.030		6.787
Prov. for other liabilities and charges	2.780		400		3.180

* For financial position is disclosed only lines were different segments have 10% or more.

For the 3 months period ended 31 March 2021* (Unaudited)

Comprehensive Income

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group
Total revenue	2.771	299	122	-122	3.070
Cost of goods sold ex depreciation	-1.227	-289	-	-	-1.516
Depreciation	-1.246	-45	-	-	-1.291
Gross profit	298	-35	122	-122	263
Exploration cost expensed	-514	-	-	-	-514
Administrative expense	-455	-9	-146	122	-488
Other income	49	-	-	-	49
Result from operating activities	-622	-44	-24	-	-690
Finance income	607	8	783	-518	880
Finance costs	-1.124	-85	-392	518	-1.083
Loss before income tax	-1.139	-121	367	-	-893
Income tax expense	-132	-	-	-	-132
Loss for the period	-1.271	-121	367	-	-1.025

* Some figures related to Q1, 2021 could differ from the figures presented in the Q1, 2021 report due to costs reallocation.

Financial Position* (As of March 31, 2021)

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group
Property, plant and equipment	13.254	8.777	-	-614	21.417
Exploration and evaluation assets	-	3.605	-	-	3.605
Other non-current assets	804	158	742	-	1.704
Trade and other receivables	885	234	105	-	1.224
Cash and cash equivalents	3.515	117	1.015	-	4.647
Interest-bearing liabilities	1.949	-	23.100	-	25.049
Trade and other payables	3.162	1.216	1.570	-	5.947
Prov. for other liabilities and charges	3.961	1.947	400	-	6.308

* At the date, current assets and non-current liabilities are mostly (more than 90%) part of the Colombian segment. For financial position is disclosed only lines were segments have 10% or more.

For the 6 months period ended 30 June 2021 (Unaudited)

Comprehensive Income

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group
Total revenue	5.519	746	247	-247	6.265
Cost of goods sold ex depreciation	-2.114	-565	0	0	-2.679
Depreciation	-1.599	-119	0	0	-1.718
Gross profit	1.806	62	247	-247	1.868
Exploration cost expensed	-647		0	0	-647
Administrative expense	-905	-111	-302	247	-1.071
Other income	111		0	0	111
Result from operating activities	365	-49	-55	0	261
Finance income	1.002	2	1.028	-1.027	1.005
Finance costs	-1.004	-90	-1.471	1.027	-1.538
Loss before income tax	363	-137	-498	0	-272
Income tax expense	-483	0	0	0	-483
Loss for the period	-120	-137	-498	0	-755

For the 6 months period ended 30 June 2020 (Unaudited)

Comprehensive Income

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group
Total revenue	3.910	176	127	-127	4.086
Cost of goods sold ex depreciation	-2.249	-559	0	0	-2.808
Depreciation	-3.002		0	0	-3.002
Gross profit	-1.341	-383	127	-127	-1.724
Exploration cost expensed	-347		0	0	-347
Administrative expense	-1.104	0	-271	127	-1.248
Other income	254		0	0	254
Result from operating activities	-2.538		-144	0	-3.065
Finance income	2.237		1.312	-1.046	2.503
Finance costs	-1.898		-2.316	1.046	-3.168
Loss before income tax	-2.199		-1.148	0	-3.730
Income tax expense	379		0	0	379
Loss for the period	-1.820		-1.148	0	-3.351

Note 4. Sales and royalty

Amounts in USD 1 000	For the 3 months period ended 30 June 2021	For the 3 months period ended 30 June 2020	For the 3 months period ended 31 March 2021	For the 6 months period ended 30 June 2021	For the 6 months period ended 30 June 2020
Sale of oil					
Sale of oil – before royalty	3.098	387	2.951	6.049	2.961
Royalty	-187	-152	-156	-456	
Sale of oil – net	2.911	235	2.795	5.593	2.961
Sale of gas	306	607	714	2.190	
Sale of services	0	1	325	326	
Total sales	3.217	843	3.834	8.109	2.961

Note 5. Cost of goods sold

Amounts in USD 1 000	For the 3 months period ended 30 June 2021	For the 3 months period ended 30 June 2020	For the 3 months period ended 31 March 2021*	For the 6 months period ended 30 June 2021	For the 6 months period ended 30 June 2020
Cost of goods sold					
Lifting costs *	1.150	942	1.337	2.487	2.175
Changes in inventory	-27	-105	9	-18	277
Other cost of goods sold	40	46	170	210	356
Total cost of goods sold	1.163	883	1.516	2.679	2.808
Depreciation	427	720	1.291	1.718	3.002

* Lifting costs,

Field production costs	642	339	738	1.380	884
Tariffs and transportation	333	117	378	711	523
Insurance	28	28	27	55	51
Production costs consultants	40	24	24	64	24
Well services and work overs	27	14	71	98	57
Repairs and maintenance	80	31	99	179	100
Other production costs	0	389	0	0	536
Total lifting costs	1.150	942	1.337	2.487	2.175

* Some figures related to Q1, 2021 could differ from the figures presented in the Q1 2021 report due to correction in Argentina's WI percentage appropriation..

Note 6. Finance income and cost

Amounts in USD 1 000	For the 3 months period ended 30 June 2021	For the 3 months period ended 30 June 2020	For the 3 months period ended 31 March 2021	For the 6 months period ended 30 June 2021	For the 6 months period ended 30 June 2020
Interest income	5	11	9	4	13
Realized / unrealized exchange	130	93	871	1.001	2.237
Other financial income	0	0	0	0	253
Total financial income	125	104	880	1.005	2.250
Interest expenses	164	1.608	936	1.100	1.686
Amortisation of debt issue cost	100	37	0	100	71
Realized / unrealized exchange	164	550	123	287	1.346
Other financial expenses	27	23	24	51	65
Total financial expenses	455	2.218	1.083	1.538	3.168
Finance expenses – net	-330	-2.114	-203	-533	-918

Note 7. Property plant and equipment

Amounts in USD 1 000	Oil production Assets	Other pp&e	Total
As of 31 December 2020	17.562	5.212	22.774
Additions, net	-215	9	-206
Amortization	-1.365	-225	-1.590
As of 30 June 2021	15.982	4.996	20.978

Impairment monitoring

As of June 30, 2021, there are no new circumstances different from those considered as of December 31 2020 that drives the company to consider that exist impairment indicators to apply an impairment test at the report date

Note 8. Borrowings

Amounts in USD 1 000	As of 30 June 2021	As of 31 December 2020
Non-current		
Bond loan (2020 -2026 - 7.5%)	20.957	21.351
Other non-current interest-bearing liabilities	1.514	1.971
Total non-current interest-bearing liabilities	22.471	23.322
Current		
Interest bond loan (2020 -2026 - 7.5%)	1.485	1.427
Liabilities to financial institutions	359	182
Total current interest-bearing liabilities	1.844	1.609
Total interest-bearing liabilities	24.315	24.931

The maturity of the Group's borrowings is as follows*

Amounts in USD 1000	As of 30 June 2021	As of 31 December 2020
0-12 months	1.485	1.609
Between 1 and 2 years	3.255	3.747
Between 2 and 5 years	19.575	19.575
Total borrowings	24.315	24.931

Bank loans USD 1,5 million

The Colombian branch has short term facilities with Banco de Occidente. In November 2020, Interoil refinanced a total amount of USD 1.5 million with Banco Occidente. The new terms include a rate of IBR + 4.5% four-year repayment in six-months instalments after a one-year grace period.

Leasing USD 0,8 million

The Colombian branch has a leasing contract with Banco de Occidente for the offices in Bogota. Office leaseback of USD835 was made in June 2018 at the rate of IBR + 5.5% with a maturity date in April 2024.

Bond loan

In December 2019, Interoil announced plans to strengthen its balance sheet through a debt-to-equity conversion. The plan was approved by bondholders on 30 December and by shareholders in an extraordinary general meeting on 16 January 2020. The approval rate was above 90% in both meetings. As part of this plan, 35 per cent of the bond loan outstanding principal amount plus its respective accrued interest were converted to equity, the maturity date for the remaining bonds were extended by six years to 2026 and the interest rate was fixed at 7.5%. On 17 January 2020, the conversion of the bonds was settled by issuing 56,193,478 new shares. These shares were distributed pro rata to the bondholders. On 20 January 2020, the share capital increase was registered with the Norwegian Register of Business Enterprises. After conversion, Interoil's new share capital was NOK 76,533,986, divided into 153,067,972 shares, each with a par value of NOK 0.50.

Amounts in USD 1 000	
Bond loan at issue after conversion, 17 January 2020	24.333
Initial adjustment to fair value	-3.993
PIK interest	1.099
Accrued interest	1.003
Balance at 30 June 2021	22.442
Short term	1.485
Long term	20.957

Note 9. Tax

Amounts in USD 1 000	For the 3 months period ended 30 June 2021	For the 3 months period ended 30 June 2020	For the 3 months period ended 31 March 2021	For the 6 months period ended 30 June 2021	For the 6 months period ended 30 June 2020
Current income tax:					
Current income tax charge	353	69	132	485	32
Deferred tax:					
Relating to origination and reversal of temporary differences	0	-1.179	0	0	-409
Other:					
Previous years tax	0	0	0	0	0
Income tax expense/(credit)	353	-1.110	132	485	-377

Note 10. Production and sales of oil in barrels and (boe)*

	For the 3 months period ended 30 June 2021	For the 3 months period ended 30 June 2020	For the 3 months period ended 31 March 2021	For the 6 months period ended 30 June 2021	For the 6 months period ended 30 June 2020
<u>Production in barrels / (boe)**</u>					
Colombia					
Working interest, barrels	39.695	14.839	44.114	83.809	61.749
Working interest, gas (boe)	16.043	13.188	15.803	31.846	51.494
Royalty	-4.202	-2.031	-4.540	-8.742	-8.235
Total Colombia (net of royalty)	51.536	25.996	55.377	106.913	105.008
Argentina					
Working interest, barrels	3.355	3.237	3.083	6.438	12.632
Working interest, gas (boe)	17.492	20.812	17.977	35.469	43.307
Royalty	-3.127	-3.607	-3.159	-6.286	-8.390
Total Argentina (net of royalty)	17.720	20.442	17.901	35.621	47.549
Total Interoil Production (net of royalty)	69.256	46.438	73.278	142.534	152.557
<u>Sales in barrels / (boe)</u>					
Colombia					
Sale of oil, barrels net	38.456	12.746	43.748	82.204	60.576
Sale of gas, (boe)	16.042	12.345	15.805	31.847	48.199
Total sale in barrels	54.498	25.091	59.553	114.051	108.775
Argentina					
Sale of oil, barrels net	3.355	3.237	3.083	6.438	12.632
Sale of gas, (boe)	17.492	20.812	17.977	35.469	43.307
Total sale in barrels	20.847	24.049	21.060	41.907	55.939
Total Interoil Sales	75.345	49.140	80.613	155.958	164.714

* (boe) Barrels of oil equivalent

** Some production figures reported for 2020 could differ from the figures presented in this report due to Argentina production adjustments.

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