INTEROIL

2023 ANNUAL REPORT

CONTENT

BOARD ORGANIZATIONAL STRUCTURE

BOARD OF DIRECTORS

Chairman:	Hugo Quevedo
Board members:	Nicolas Acuña German Ranftl Laura Mármol Carmela Saccomanno Isabel Valado Ramudo

Hugo Quevedo, Chairman. Mr. Quevedo graduated from Universidad de Buenos Aires in 1987 with a law degree, obtained a degree of Master of Laws (LLM.) at London School of Economics and Political Sciences, University of London, UK, in 1995, and in addition holds a Postgraduate Diploma in Global Business from the University of Oxford, Oxford, UK. He also attended courses on regulation of financial markets at King's College, London, financial law at Queen Mary & Westfield College, London, and energy law at the Centre of Petroleum of Energy, Petroleum and Mineral Law and Policy of the University of Dundee, Dundee, Scotland. Mr. Quevedo has extensive experience in both the private and public sectors. He has advised public and private companies, banks, and organizations in connection with cross-border and domestic corporate, energy and financial transactions, matters and litigation. He has represented companies in antitrust matters, M&A transactions, and financing in a range of industries, including oil & gas, power generation and distribution, natural gas transport and distribution, mining, forestry, fishing, pharmaceutical, and retail, among others. In addition to court litigation, Mr. Quevedo has also acted in domestic and international commercial arbitrations, as counsel and as arbitrator, as well as expert witness in international investment treaty arbitrations. In the public sector, he served in different positions at the office of the President of Argentina, including Director General of Organization, and was advisor to several public officers, including Argentine Secretary of Energy.

Isabel Valado Ramudo, Board Member. Ms. Isabel Valado Ramudo holds a degree in Business Accountancy and Finance from the Universidad de Vigo, Spain. She has worked for several companies in Spain having served in different managing capacities including Accounting and Administrative Head and Madrid Office Manager. She also served as Madrid Officer Account Manager of the Spanish Royal Sport Federation. Ms. Valado Ramudo lives in Madrid, Spain, and speaks Spanish, English and French

Nicolas Acuña, Board Member. Mr. Acuña has over 28 years of experience in the oil and gas industry in Colombia in the finance and administrative areas. Currently, he is the Vicepresident of Finance and Planning for Canacol Energy in Colombia. Previously he worked for Cepsa Colombia as the Finance, Administration and IT Manager and held various senior management positions in Petrocolombia S.A., including Finance and

Administration Manager and General Manager of an affiliate operating company. He holds an MBA from Inalde, a MSc in Engineering-Economic Systems from Stanford University and a BSc in Civil Engineering from the Universidad de los Andes

German Ranftl, Board member. German Ranftl is a Public Accountant from the University of Buenos Aires, graduating in 1990, and has a Master's in Business Administration from CEMA. He spent nearly 11 years in the banking sector, including eight years at ING Barings as a Vice President in Corporate Finance and Investment Banking, previous to that he had work for Bank of Boston. Since 1998 and for five years he was CFO of Supercanal SA, the third largest cable company of Argentina, with also operations in Spain, Bolivia and Dominican Republic. After that period of time he was Vice President of Integra Investment SA, a consulting firm with many international and Argentine transactions in M&A and Capital markets and debt restructuring. In 2007 he was appointed Chief Financial Officer of EDEMSA and restructured a debt of USD 160 million, consequently EDEMSA was part of a reverse take-over of a listed company in AIM London Stock Exchange, and German was CFO of that listed company for 11 years, mainly Andes Energia PLC was primarily operating EDEMSA and HASA, electrical distribution of Mendoza Province and oil areas in Argentina and Colombia, that have been acquired by International Bidding process. German has also participated in the exchange process of the Debt of Supercanal and the company was finally sold last year to an international player. As of today he is also working in the restructuring of the debt of EDEMSA with the regulatory Entity and has also participate in a new reverse take-over of Mercuria in Andes Energia PLC.

Laura Mármol, Board member. Ms. Marmol has served ten years as a corporate lawyer with Argentinian oil & gas companies¸ assisting in due diligence processes for potential mergers and in bidding processes for oil blocks awards. She has previously worked at several law firms in the City of Buenos Aires. Ms Marmol has completed the Non-Executive Director Program offered by the Institute of Directors, London, UK (2018) and the Financial Times Non-Executive Director Diploma, UK (2019) Ms Marmol holds a Bachelor´s Degree in Law from the University of La Plata, Province of Buenos Aires, Argentina (2007) and a Bachelor Degree in Certified Translation from the University of Buenos Aires, Argentina (2015).

Carmela Saccomanno, Board member. Miss Saccomanno is a qualified communications and institutional relations professional. She graduated from Austral University, Argentina, as a Bachelor in Media & Communications with a specialization in journalism. She has obtained her Master's Degree in Digital Management at Hyper Island, Teesside University, United Kingdom.
Ms. Saccomanno has completed her non-executive director studies at the Institute of Directors, United Kingdom. Miss Saccomanno has worked in communication strategies in different Oil & Gas and natural resources companies. She has experience in coordinating geographically distributed teams in remote collaboration through leadership skills and digital instruments.

MANAGEMENT ORGANIZATIONAL STRUCTURE

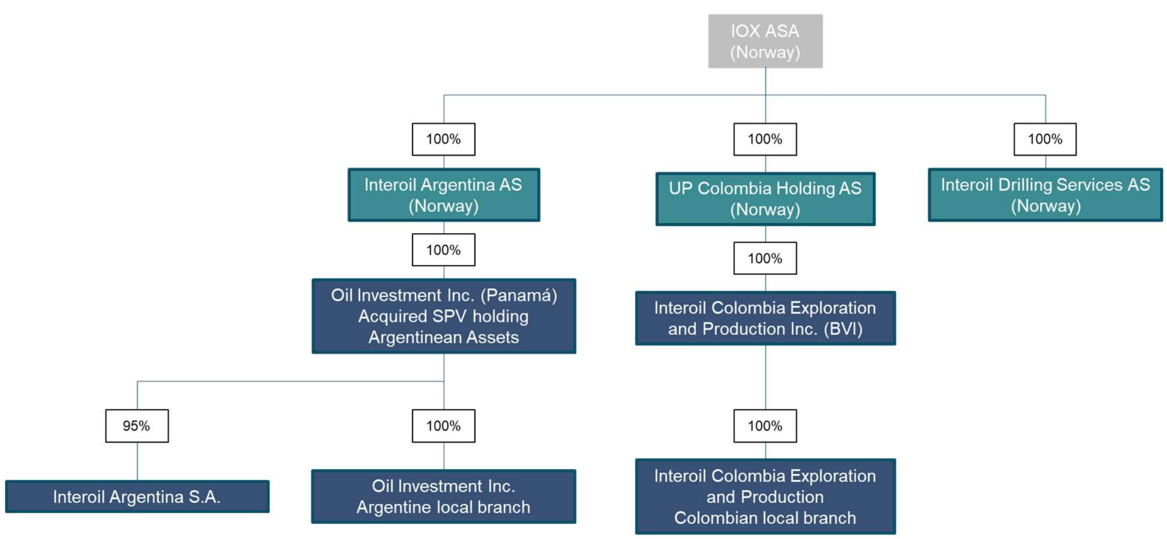
MANAGEMENT

CEO & General Manager: Leandro Carbone
CFO: Gonzalo Ricci

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

Gonzalo Ricci, has extensive background having served as CFO in several companies and industries in Latin America, including companies engaged in the agri-business, airport operations and food industries. Gonzalo has an accounting degree from the University of Buenos Aires, and a MBA from IAE – Universidad Austral.

CORPORATE STRUCTURE



BOARD OF DIRECTORS’ REPORT

HIGHLIGHTS

- Interoil’s net production for the full year 2023 was 363,948 barrels of oil equivalents (boe), an increase of 23% from 294,963 boe in 2022.
- Revenues were USD 19.2 million compared with USD 18.9 million in the previous year. The increase is due to increased share in Argentina’s operations. In the fourth quarter, revenues were impacted by the decrease in oil prices, as well as the seasonal decrease in gas prices in Argentina, where summer prices on average are 35% lower than winter prices.
- In February, the Company was notified of the formal approval to its acquisition of the 8.34% participating interests in five concessions in Santa Cruz, Argentina where the Company also serves as operator.
- After satisfying the requirements to restart full activities in the MMO and Cañadón Ramírez fields (Chubut, Argentina) with the relevant Provincial authorities, the Company has reopened such fields.
- In April, the Company appointed Leandro Carbone as new General Manager and Gonzalo Ricci as new Chief Financial Officer (CFO). Leandro and Gonzalo replace Ricardo Romero who had been serving both as General Manager and CFO.
- In July, Interoil acquired an additional 43 percent of the concessions located in the Province of Santa Cruz, where the Company already had an 8.34 percent share, and where the company serves as operator. By this transaction, Interoil secured a substantial increase of its participating interest in the above-mentioned Santa Cruz Exploitation Concession adding a significant number of boepd to its equity production against a convenient consideration substantially payable in kind and with limited dilution. This has caused a temporary increase in operating expenses to improve operations and achieve higher O&G production. Since the concessions over the Santa Cruz assets in Argentina expire in 2026, the Company is pursuing diligently all the necessary steps to obtain a 10-year extension from the Government. This requires relevant expenditures to remediate matters which need to be addressed as a pre-condition for such extension. The Company has fully committed efforts to these actions after the acquisition of this majority interest.
- In July, on the Company’s request, bondholders approved amendments to the bond terms to settle the full July interest payment in kind by issuing and delivering additional bonds. The interest rates for all outstanding bonds were increased from 7.50% to 8.50.
- In July, the Company filed a request with the DIAN (tax authority in Colombia) to be granted the possibility to pay income tax owed in arrears.
- In November a new President was elected in Argentina. Mr. Milei has taken a number of measures that impacted in the Company’s business, including decrease of existing gap between the official exchange rate and the actual exchange rate between the Argentine peso and the US dollar and progressive deregulation of O&G prices. Devaluation had a significant impact on cash calls denominated in local currency.

MAIN EVENTS SINCE YEAR-END

- By virtue of requests filed by Interoil Colombia to the Colombian hydrocarbons regulatory agency (ANH), the terms applicable to Interoil’s exploratory drilling obligations in Llanos-47 have been postponed at least through April 2025. In the case of Altair, the current exploratory period is suspended until the end of August 2024. Once suspension is terminated, Interoil Colombia would be granted an additional term extersion of 145 days, expected to be counted from August 31, 2024, onwards. In such event, the new deadline would be postponed to January, 2025. While no assurance can be given, postponement should continue beyond such dates as long as there are underlying reasons causing force majeure.

- In January, on the Company's request, bondholders approved amendments to the bond terms to settle the full January 2024 interest payment in kind by issuing and delivering additional bonds.
- During 2024 Interoil Argentina resumed a commercial relationship with Compañia General de Combustibles (CGC), one of the biggest O&G companies in Argentina, which operates the Loyola Port facilities, nearby Interoil O&G fields. This new commercial contract provides Interoil an alternative and profitable spot to deliver crude oil minimizing freight and increasing prices up to USD 10/bbl compared to previous destinations.

STRATEGIC TRANSACTIONS

Acquisition of additional stake in Santa Cruz (Argentina) assets

- In May 2023, the Company announced the acquisition of 43% of the concessions located in the Province of Santa Cruz (where the Company already had an 8.34% share) from Echo Energy PLC. This acquisition was completed in July 2023.
- Echo retained a 5% working interest in the concessions.
- The Company paid a cash consideration of £825,000, and £400,000 via transfer to Echo of IOX shares issued at a subscription price of 1.15 NOK per share.
- Additionally, the Company subscribed Echo shares for an aggregate amount £ 75,000, at a value of GBP 0.065 per Echo share.
- This transaction allowed Interoil to secure a substantial increase of its participating interest in the above-mentioned Santa Cruz Exploitation Concession adding a significant number of boepd to its equity production against a convenient consideration substantially payable in kind and with limited dilution.
- The deal also resulted in an improvement of the joint venture ability to carry out actions for production increase.

New gas sales contract

- The UTE Santa Cruz has received Government approval to its filing before the Argentine National Secretariat of Energy for an application under the Gas Plan regime (Gas Plan 5.2) promoting gas production. Such approval awards to the UTE a new gas sales contract for prices substantially above those payable under current existing agreements.
- The new conditional contract under Gas Plan 5.2 (Santa Cruz Sur Basin) was entered into with ENARSA (Energía Argentina Sociedad Anónima) and is for production volumes outside of those delivered under the existing gas contracts with industrial clients.
- The new contract is applicable across all the Santa Cruz concessions and shall be in force through December 2028. The contract structure provides for a base volume and an incremental volume with different prices. Thus, the base volume of 1.06 MMscf/d (gross 100% JV) attracts a price of US$3.46 per MMBTU.
- In turn, any incremental production volume delivered above the aforementioned base volume, and above the existing gas contracts with industrial clients, would achieve a gas price of US$ 9.975 per MMBTU until April 2026, a price of US$ 9.50 per MMBTU from May 2026 to December 2026 which reduces to US$ 5.90 per MMBTU for the remaining period of the Gas Plan contract through December 2028.
- These prices are materially above the existing average sales prices achieved by the UTE. Achieving these incremental production volumes requires an activity investment of around US$ 5.3 million with an operational program that includes approximately 13 individual workovers/ well interventions.

GOING CONCERN

The financial statements Annual Report have been prepared under the going concern assumption in accordance with the Norwegian Accounting Act § 3-3and the Board of Directors hereby confirms that this assumption is valid. Following the acquisition of 41% of the Santa Cruz assets in Argentina, current liabilities exceed temporarily current assets, since there was a delay in payments from the prior owner, which Interoil is in the process of normalizing, and expects to rebalance in the course of 2024.

Interoil has paid in kind interest for its Corporate Bond in July 2023 and January 2024, and will continue proposing payment in kind to its bondholders if needed, expecting that the majority bondholders will continue providing their approval as they did in all instances required. The Board of Interoil acknowledges that the Company needs to start the refinancing process as the bond is coming to maturity on January 2026.

INTEROIL'S BUSINESS

Interoil is an independent oil and gas exploration and production company, currently operating in Colombia and Argentina. 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 concession partner in several production and exploration assets in Colombia and Argentina.

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

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

Interoil is focused on strengthening its operations in Colombia and in Argentina where the current asset portfolio contains a large inventory of underdeveloped producing fields combined with exploration projects of high quality and potential that are briefly described below. It is also focusing in gaining opportunities in the context of the industry oulook to add flowing barrels value as well as to improve value by targeting high valuable reserve potential.

Concession	Interest	Partners	Field information
Colombia			
Puli C	70 %	Ecopetrol	Production Onshore
Vikingo	78%	SLS/Quantum	Production Onshore
Altair	90 %	Erazo Valencia SA	Production/Exploration onshore
LLA-47	100 %		Production/Exploration onshore
Argentina			
Mata Magallanes Oeste	80 %	Petrominera / Selva María Oil	Production/Exploration onshore
Cañadon Ramirez	80 %	Petrominera / Selva María Oil	Exploration onshore
La Brea*	80 %	JEMSE / Selva María Oil	Production/Exploration onshore
Chorrillos	51%	Echo Energy / IOG Resources / Selva María Oil	Production/Exploration onshore
Campo Bremen	51%	Echo Energy / IOG Resources / Selva María Oil	Production/Exploration onshore
Oceano	51%	Echo Energy / IOG Resources / Selva María Oil	Production/Exploration onshore
Moy Aike	51%	Echo Energy / IOG Resources / Selva María Oil	Production/Exploration onshore
Palermo Aike	51%	Echo Energy / IOG Resources / Selva María Oil	Production/Exploration onshore

* Interoil will operate once approved by local regulators.

OPERATIONS

Colombia

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.

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 combining 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 where two areas concentrate most of its prolific potential: North-western and South-eastern section of the block. Interoil continues studying the potential of LLA-47 by geologically integrating hard known data from neighbouring oil fields aiming at reducing geological uncertainties. Interoil exploratory work program is aimed at optimizing exploration investment activity by drilling exploratory wells based on best geological model encompassing the prolific potential laying underneath the block.

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 plus hard geological data gathered from Altair.x-1, Altair.x-2, Mizar.x-1, Purita.x-1 Colirojo.x-1 and Turaco.x-1 wells lead to a new subsurface understanding spotting structures with interesting potential.

Argentina

Mata Magallanes 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.

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. The exploration commitments in this block are 20,000 samples of geochemistry 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 build 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 continues with the plan 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 defined aimed at further develope 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.

Annual statement of reserves

The Company’s Annual Statement of Reserves (ASR) has been prepared in accordance with the Oslo Stock Exchange listing and disclosure requirements. Reserves and contingent resources have been certified by third independent parties.

The annual accounts include a detailed review of the reserves and resources. The full ASR is available for download from the Company’s website. The ASR is not audited by PricewaterhouseCoopers.

OIL AND GAS INDUSTRY RISK

An investment in a Company in this industry involves a high degree of risk due to the nature of the Company’s business (exploration and production of oil and natural gas). The Company considers the risks set out below to be the most significant to potential investors in the Company, but this list does not contain all of the risks associated with an investment in the Company. If any of these risks materialized into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers not to be currently material about the Company’s business occur, the Company’s assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects are likely to be materially and adversely affected.

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

Risks related to the Shares

The trading price of the Shares may be subject to large fluctuations, which may result in losses for investors. The trading price of the Shares may increase or decrease in response to some events and factors, including the price of oil and natural gas; the Group's financial condition, financial performance and prospects; the public's reaction to the Group's news releases, other public announcements and the Company's filings with the regulatory authorities; changes in earnings estimates or recommendations by research analysts who track the Common Shares or the securities of other companies in the oil and natural gas sector; changes in general economic conditions and the overall condition of the financial markets; the number of Common Shares that are publicly traded; the arrival or departure of key personnel; and acquisitions, strategic alliances or joint ventures involving the Company or its competitors, among others.

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 concerning 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 new issuance of Shares or other securities and may face dilution as a result.

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. 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.

Commodity price volatility

Natural oil and gas prices are unstable and are subject to fluctuation. Lower prices for oil and gas may reduce the profitability of the production of oil and gas. Interoil's results of operations are significantly affected by prevailing oil and gas price levels, and any material decline in prices could result in a reduction of the Group's net production revenue and overall value, potentially leading to write-downs. Further, the economics of producing from some of the Group's wells and assets may change because of lower prices which may result in a reduction in the volumes of the Group's reserves. Lower prices may also cause production in certain wells to become financially unviable, which in turn may lead to Interoil electing not to produce from such wells. Any of the after-mentioned could result in a material decrease in the Group's net production revenue and overall value. The ability to finance development and fulfil financial obligations could also be affected by low oil and gas prices. Global financial conditions in recent years have been subject to increased volatility. Market event conditions, including global excess oil and natural gas supply, actions taken by the Organization of Petroleum Exporting Countries ("OPEC"), market volatility and sanctions imposed on certain oil-producing nations by other countries have caused significant volatility in the Oil market and hence in the valuation of oil and gas companies, affected equity investor sentiment and decreased market confidence in the oil and natural gas industry in general. If these conditions were to continue and commodity prices remain volatile, this may harm the Group's business, financial condition or results of operations.

Competition

The oil and natural gas industry is intensely competitive and particularly intense in the acquisition of prospective oil and natural gas properties and oil and gas reserves The Group's competitive position depends to a large degree on its geological, geophysical, and engineering expertise, its financial resources, and its ability to select, access, and develop proved reserves.

Political and regulatory risk

Interoil is a Norwegian oil and gas exploration and production company operating in Colombia and Argentina, and the Company has consolidated subsidiaries registered in Norway, Colombia, Argentina, Panama and the British Virgin Islands. Thus, the Group's operations are subject to laws and regulations in several countries, including laws and regulations relating to the equipment and operation of drilling units, currency conversions and repatriation, oil and natural gas exploration and development, taxation of earnings and earnings of expatriate personnel, the use of local employees and suppliers by foreign contractors and duties on the importation and exportation of units and other equipment. Due to the Group operating in several jurisdictions, it forces the group to allocate legal resources to avoid any situation related to non-compliance with any applicable legislation.

Environmental risk

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

FINANCIAL RISK

The exploration and development of hydrocarbon reserves are highly capital intensive and are associated with considerable uncertainty in terms of the relationship between budgeted costs and actual costs. The Group may, therefore, from time to time, experience with differences between those projected COGS and the current ones, mainly in OPEX.

The Group may also be required to make a capital investment for the acquisition of oil and gas reserves in the future.

The Group may require additional funding in the future to fund working capital and investment needs for future development and growth. In the current global situation, investments in hydrocarbons are highly requested and the potential success in future private placements or share issues is likely to be obtained.

Indebtedness

The Group has an acceptable level of debt, and its bondholders have always supported every restructuring decision and bond terms extension, trusting the management’s advisory, skills, and knowledge of the industry.

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 to their collateral in these companies.

Currency risk

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

Further information regarding financial risk factors and management is described in notes in the financial statements.

BUSINESS CRITICAL CONTRACTS

Critical agreements include the concessions and agreements entered 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.

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 concession agreement and has commitments to drill 9 wells with estimated costs of USD 27 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 ended 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 was required to drill nine more exploration wells. 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. Progress on this matter has been adversely affected by the impact of the action of the communities.

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 obtention 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 concession. 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 concessions (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 November 2018, 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 preapproval 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 in exploitation concessions and exploration contracts in the provinces of Santa Cruz and Chubut, and has the right to act as operator (upon authorization of the Governmental authorities) in all the blocks. 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. 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.

ORGANIZATION

The Board believes that the work we do is what creates value for Interoil. Our policy for human resources describes our ambitions and our most important target areas. We believe that achieving outstanding results and fulfilling our strateoutgy depends on the commitment and skills of our employees and leaders. Interoil's values – Openness, Trust, Resilience, and Integrity – provide a framework of expectations on how Interoil employees perform their tasks.

How we treat our people and each other within the Group is crucial, and open dialogue and communication are promoted.

Interoil promotes equal opportunities and has a policy of equal pay for the same type of work.

Due to the nature of the industry, the organization is male-dominated. More than 80% of employees are male. Senior management is 100% male, and the Board of Directors is 50% female.

The group promotes equality and prevents discrimination based on gender, pregnancy, leave in connection with childbirth or adoption, care responsibilities, ethnicity, religion, belief, disability, sexual orientation, gender identity, gender expression, age, or other significant characteristics of a person.

HEALTH, SAFETY AND ENVIRONMENT

Interoil is committed to excellence in operations and standards of Quality, Health, Safety and Environment (QHSE) throughout its activities Interoil will strive towards our QHSE vision:

Systematically promote work environment, zero accident and zero incident operations, promote environmental protection and reduce negative influence on local communities and optimize raw material and energy consumption to minimize waste.

The Company aims to be in line with industry practices and all statutory requirements.

Interoil operates according to the International Organization for Standardization (ISO) and Occupational Health and Safety Assessment Series (OHSAS) management standards. Through the standard, we have focused on managing safety in critical processes, implemented a visible leadership model and strived to live the HSE culture in the organization. We believe that these activities, together with further focus on training of workers, will reduce the risk of major accidents and injuries, and will reduce the risk of hazards of pollutants.

The working environment is good, and efforts for improvements are made on an ongoing basis. The ratios at levels such as industrial security, environmental and processes security, are outstanding with a remarkable record of no incidents and accidents.

REMUNERATION OF SENIOR EXECUTIVES

The Board of Directors of Interoil Exploration and Production ASA hereby submits its statement on remuneration to management following the Public Limited Company Act § 6-16 A.

Current Interoil Group management: Leandro Carbone, Chief Executive Officer and General Manager and Gonzalo Ricci, Chief Financial Officer.

General: Our guidelines for the future stipulation of management remuneration are to follow the general salary adjustments in our local society and, at the same time, consider the measures necessary to avoid losing our key personnel and maintain a level of remuneration enabling us to recruit the kind of professionals needed for us to develop the Company according to plans.

Bonus Program: Senior Officers may have a discretionary bonus. The bonus is based on individual performance targets and key performance indicators. There is no other variable remuneration to management.

Other: We believe that all terms and conditions have been negotiated on an arm's length basis at market conditions, enabling Interoil to recruit the kind of professionals it needs to succeed with its strategy, to the benefit of its shareholders.

CORPORATE SOCIAL RESPONSIBILITY

It is part of Interoil's vision and strategy to grow oil and gas production primarily through development programs focused on maximizing the value of our existing asset portfolio and secondly by acquiring new assets with a sustainable risk profile. We strive to do business responsibly and consider social and environmental challenges as opportunities for business development. We engage in constructive dialogue with stakeholders to ensure the continuous improvement of our operations. As part of Interoil's commitment to sustainable development, we aim to conduct our business in an economically, efficient, socially, and environmentally responsible way.

The Company strives to be an active contributor to the society where we operate. We support cultural activities, give donations concerning infrastructure and maintenance; hire residents on short-term contracts to do maintenance and construction work in the field, in addition to the scholarship program supporting education for the best local students.

The Company operates in remote areas under harsh climate environment, In Colombia, the Company assets are placed in a tropical region where there are two distinguished seasons: the rainy, from April to November and the dray season. Whereas in Argentina, the assets are place in the middle of the Patagonia region with cold dry and short daylight austral winter, from May to October, to then move to the long day ligth windy season blowing between 40 km/h to 80 km/h everyday. Thus, the Company plans its activities in advance and organizes most of the maintenance and rig operation along those months where it is convenient and safer for the activity to take place, e.i. dry season in Colombia and long daylight for Argentina.

Reporting of payments to governments for companies in extractive industries is prepared according to the Norwegian Accounting Act and the Norwegian Trading Act. The report is presented in the note to the Annual Accounts.

Further information about Interoil's corporate social responsibility is available at the Company's website: www.interoil.no.

The Transparency Act entered into force on 1 July 2022. The Transparency Act is intended to help us reduce the risk of businesses causing or contributing to violations of human rights. It also contributes to the fact that we must do our part to ensure decent working conditions with our suppliers and with our owners, as well as with ourselves. The Company will update and publish on our website a statement on our assessments in accordance with the Transparency Act annually no later than 30 June each year and otherwise whenever there are material changes to the Company's assessments.

OUTLOOK

We are an international exploration and production company focused on hydrocarbon development in proven, under-explored conventional basins with access to established infrastructure and competitive fiscal regimes.

Our mandate is to develop high-value resource opportunities to add value to the company and our shareholders.

We intend to continue exploring and developing our interesting portfolio, with a continued focus on operational excellence, safety, social, ethical, and environmental consciousness. The senior management team has a proven track record in developing technically difficult reservoirs, enhancing oil recovery and operating in remote locations.

This report contains forward-looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including Interoil's examination of historical operating trends. Although Interoil believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict with certainty and are beyond our control, Interoil cannot give assurance that it will achieve or accomplish these expectations, beliefs, or intentions.

Oslo, May 8th, 2024
The Board of Interoil Exploration and Production ASA.

Hugo Quevedo
Chairman
(signed)

Nicolas Acuña
Board Member
(signed)

Leandro Carbone
General Manager
(signed)

Isabel Valado Ramudo
Board Member
(signed)

German Ranftl
Board Member
(signed)

Laura Marmol
Board Member
(signed)

Carmela Saccomanno
Board Member
(signed)

CORPORATE GOVERNANCE

Interoil's corporate governance principles are aimed at contributing to value creation over time, benefitting shareholders as well as other stakeholders. As an international exploration and production company, Interoil aims at conducting its business in an economically efficient, socially responsible, and environmentally acceptable way.

The corporate governance principles are based on the Norwegian Code of Practice for Corporate Governance (the "Code of Practice"), dated 14 October 2021 and issued by the Norwegian Corporate Governance Board ("NUES"). The recommendation from NUES can be found at: www.nues.no.

The following presentation is structured after the guidelines in the Code of Practice and is also available on the Company's website.

Implementation and reporting on corporate governance

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

Values and ethical guidelines: Interoil's corporate values are presented on the Company's website (www.interoil.no). Our values guide us on how we shall act and make decisions when we conduct our everyday work in Interoil.

Interoil is aware of the effect its business has on society. The basic principles for corporate social responsibility that the Company strives to follow, are outlined in the corporate social responsibility policy, which is available on the Company's website.

Business

Interoil's objective, as defined in article of the Company's articles of association, is the "activities such as exploration, development, production, purchase and sale of oil and natural gas deposits and production concessions, as well as any activities related thereto, including investments in equal and similar enterprises".

Interoil's vision and strategy are adopted, both for Interoil as a group and in each business area, to support the Company's objective. Interoil's vision and strategy are to become one of the strongest E&P companies operating in Latin-America. Our corporate vision and strategy have the following pillars:

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

Equity and dividends

The Board of Directors continuously strives to improve book equity. Current equity and liquidity, however, are considered balanced to meet Interoil's current objectives and liabilities.

On January, 2024 Interoil executed a reverse share split (share consolidation) in the ratio of 10:1 to meet Oslo Børs' requirements of a minimum share value of NOK 1 per share. Following the reverse split, Interoil has 20,134,428 shares outstanding each with a par value of NOK 5.

Due to the market situation, together with the requirement for adequate equity and the financial result, Interoil does not expect to pay any dividends soon.

Authorizations to the Board of Directors should be limited to defined purposes and dealt with as a separate agenda item at general meetings.

Equal treatment of shareholders

Interoil has one class of shares representing one vote at general meetings. Each share has a nominal value of NOK 5. The articles of association contain no restrictions regarding the right to vote. Equal treatment is of high importance for the Company, and the Board of Directors must justify any waiver of these rights in capital increases.

Should the Board of Directors wish to propose to the general meeting that the pre-emptive right of existing shareholders is set aside in the event of a capital increase, such a proposal must be justified by the common interests of the Company and the shareholders, and the grounds for the proposal will be presented in the notice of the general meeting.

Any transactions with closely related parties, primary insiders or employees wishing to trade in Interoil shares must be cleared before the purchase of shares in the Company and are firmly regulated in Interoil's Directives for Insider Trading.

Interoil focuses on transparency and independent verification of any transactions with related parties. The Company's Ethical Guidelines, which apply to all employees, contain guidelines for handling potential conflicts of interest.

There have been no significant transactions with closely related parties. However, consultancy agreements exist between one of the board members and the Company, and between one board member and Interoil Colombia Exploration and Production Inc. In addition, two board members have waived their fees from the Company and received their payment from Interoil Colombia Exploration and Production Inc.

The Chief Executive Officer (CEO) received all his remuneration from Interoil Colombia Exploration and Production.

Freely negotiable shares

Interoil's shares are listed on the Oslo Stock Exchange and are freely transferable. There are no restrictions on trade in the Company's articles of association.

General meetings

Interoil encourages as many shareholders as possible to exercise their rights by participating in the Annual General Meeting of the Company. Notices convening general meetings will be distributed no later than twenty-one days before a general meeting.

Interoil endeavours in general to make the detailed supporting documentation relating to the items on the agenda available on the Company's website no later than on the date of the distribution of the notice of the general meeting. The notice is also distributed as a stock exchange notification.

The calling notice includes a reference to Interoil's website where the notice calling the meeting and other supporting documents are made available. As the supporting documents are made accessible for the shareholders on Interoil's website, the documents will normally not be enclosed in the calling notice sent to the shareholders.

The deadline for registering intended attendance will be set as close to the general meeting as possible, but no earlier than two business days before the general meeting. Shareholders who are unable to attend, are encouraged to vote by proxy. Information concerning both, the registration procedure and the filing of proxies, will be included in the notice. The proxy forms will also allow separate voting instructions to be given for each item on the agenda.

The general meeting elects the chair of the meeting. The Board of Directors generally proposes that a person independent from the Company chairs the meeting.

The general meeting elects the members of the nomination committee. The nomination committee focuses on composing a board that works optimally as a team and on ensuring that board members' experience and qualifications complement each other and that statutory gender representation requirements are met.

The general meeting is therefore normally requested to vote for a complete set of proposed board members, and shareholders cannot vote in advance for individual candidates. The general meeting otherwise deals with the matters it is required to consider according to legislation or the Company's articles of association.

The Company allows shareholders to propose matters for consideration at the general meeting, and shareholders can also ask questions and propose decisions at the general meeting itself.

The minutes from the meeting are released as soon as practical as a stock exchange notification (ticker: IOX) and on our website www.interoil.no.

Nomination committee

The articles of association stipulate that the Company shall have a nomination committee, elected by the general meeting. The nomination committee shall consist of three members, who shall normally serve for a term of two years. The current members of the nomination committee, which were elected at the Annual General Meeting are Hugo Quevedo, Norberto Caneva, and Neil Arthur Bleasdale.

All current members of the nomination committee are independent of the executive management of Interoil. Norberto Caneva and Neil Arthur Bleasdale are also independent of the Board of Interoil. As the Chair of the Board of the Company is also a member of the nomination committee, the Company deviates from the recommendations in the Code of Practice on this item.

The purpose of the committee is to recommend candidates for election to the Board of Directors and propose the fee payable to the board members. The committee shall emphasize that the candidates for the board have the necessary experience, competence, and capacity to perform their duties satisfactorily. A reasonable presentation regarding gender and background should also be emphasized.

The justified recommendations are endeavoured to be made available together with the notification to the general meeting, no later than 21 days before the general meeting.

Corporate assembly and the Board of Directors; composition and independence

The Company is not required to have a corporate assembly, cf. the Public Limited Liabilities Companies Act section 6-35 (1). Thus, the general meeting elects the representatives to the board of directors directly.

According to the articles of association, the Board of Directors shall consist of three to seven members currently, there are five members. The members are elected for a term of two years and may stand for re-election. The proposal for nominations is generally distributed to the shareholders together with the notice of the general meeting.

The current board is formed by Hugo Quevedo (chairman), Isabel Valado Ramudo, Nicolas Acuña Vesga, German Ranftl, Laura Marmol and Carmela Saccomanno.

Out of the current board, Mr Acuña holds a leading position at Canacol Energy; no conflicts of interest may arise between this person’s duties to the Company and his duties to Canacol Energy.

The composition of the Board of Directors as a whole represents sufficient diversity of background and expertise to help ensure that the board carries out its work in a satisfactory manner.

The Company’s website and annual report provide detailed information about the board members' expertise and capabilities. The Board of Directors is aware of the need for diversification of its members, to add value and to best serve the common interest of Interoil and its shareholders (particularly concerning expertise, experience, social skills, independence, flexibility, and time capacity.

The work of the Board of Directors

The Board of Directors shall establish an annual schedule for the board meetings and an annual plan for its work.

The Board of Directors shall lead the Company’s strategic planning and make decisions that form the basis for the executive personnel to prepare for and implement investments and structural measures.

The Board of Directors shall be engaged in the financing of the Company. The Board of Directors shall ensure that the activities in Interoil are soundly organized.

The CEO and General Manager is responsible for the Company’s daily operations and ensure that all necessary information is presented to the board.

The Company has not established either a separate audit committee (but the combined board fulfils the functions of the audit committee) or a remuneration committee.

Risk management and internal control

The Board of Directors focuses on risk management and internal control to support the Company's corporate values, business development and the quality of the financial reporting encompassing ethical guidelines and guidelines for social responsibility.

The Board of Directors provides in a note in the annual report the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

Remuneration of the Board of Directors

The remuneration of the Board of Directors should reflect the responsibilities, the expertise, and the time commitment, as well as the complexity of the business. The remuneration is proposed by the nomination committee. The remuneration is not linked to the Company's performance or linked to options in Interoil.

The remuneration to the Board of Directors is described in a note to the financial statements. The remuneration to the Board of Directors is being paid following the decision at the Annual General Meeting.

Remuneration of the executive personnel

The Board of Directors of Interoil prepares its statement on remuneration to management following the Public Limited Companies Act § 6-16 a.

Our guidelines for the future stipulation of management remuneration are to follow the general salary adjustments in our local society and at the same time, consider the measures necessary to avoid losing our key personnel and maintain a level of remuneration enabling us to recruit the kind of professionals needed for us to develop the Company according to plans.

The compensation structure and guidelines for executive personnel and key employees are described in "Remuneration of Senior Executives" in the Board of Directors' report. Interoil negotiates all terms and conditions on an arm's length basis at market conditions, enabling Interoil to recruit the professionals the Company seeks.

The remuneration to the executive management is described in a note to the consolidated financial statements.

Information and communications

Interoil's information policy is based on transparency and on providing the shareholders, investors, and financial market with correct and timely information, to safeguard the principle of equal treatment of all shareholders and satisfies the regulations and practice applicable to listed companies.

Interoil's key communication objectives are visibility, transparency and openness and the Company will achieve these objectives through precise, relevant, timely and consistent information Interoil co-ordinates its external and internal communication activities to ensure that the Company is presented clearly and consistently and that the Company's brand and reputation is managed properly. All sensitive information will be controlled and disclosed in compliance with statutory laws and the relevant stock exchange rules and regulations

Interoil reports the financial result each quarter, and from time-to-time presentations at conferences in Norway and abroad. Our quarterly reports and investor presentations are made available on Interoil's website, www.interoil.no.

The Company also reports its monthly average production at Oslo Børs each month.

• Interoil's website, www.interoil.no, contains information regarding the Company, its activity and contact information, and is updated regularly. In addition, all presentation materials and financial reports are available on the website.
• Interoil distributes all sensitive press releases as well as all reports through Hugin and Oslo Stock Exchange (www. newsweb.no).
• Interoil publishes an annual financial calendar which may be consulted on the Oslo Stock Exchange website, through news agencies and on the Company's website.

Takeovers

In the event of a takeover bid, the Board of Directors will duly comply with its duties according to the Norwegian Securities Trading Act and other relevant legislation. The Board of Directors has not established a separate set of principles for take-over situations.

Auditor

The auditor shall be independent of the Company. The remuneration for the auditors is presented in a note to the financial statements.

The audit committee, consisting of the whole Board of Directors, will meet with the auditor annually. The objective of the committee is to focus on internal control, independence of the auditor, risk management and the Company's financial standing, including the quarterly and annual financial statements.

The auditor will send a complete Management Letter/Report to the Board of Directors – which is a summary report with comments from the auditors including suggestions for any improvements if needed. This is an important tool for the board to get a better overview and fulfil the control duties. The auditor is also present in at least one board meeting each year.

The auditor annually submits the audit plan to the Board of Directors. The auditor participates in meetings of the Board of Directors that deal with the annual accounts. In this meeting, the auditor reviews any material changes in accounting principles, comments on estimated figures and reports material matters regarding a disagreement with the executive management. The Board of Directors also meet with the auditor at least once a year without the presence of the executive management.

The auditors present once a year to the Board of Directors a review of the Company's internal control procedures, identifying weaknesses and proposals for improvement.

The Board of Directors reports the remuneration paid to the auditor at the ordinary general meeting. The fee is detailed, in the fee paid for audits and the fee paid for other specific assignments.

The Board of Directors of the Company has not established guidelines for the executive management's use of the auditors for services other than the audit.

FINANCIAL STATEMENTS

DECEMBER 2023

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge that the financial statements for the period 1 January to 31 December 2023, have been prepared under international financial reporting standards IFRS and give a true and fair view of the assets, liabilities, financial position and profit and loss of the group taken as a whole. We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Oslo, May 8th 2023
The Board of Interoil Exploration and Production ASA.

Hugo Quevedo	Nicolas Acuña	Leandro Carbone
Chairman	*Board Member*	*General Manager*
(signed)	*(signed)*	*(signed)*

Isabel Valado Ramudo	German Ranftl	Laura Marmol	Carmela Saccomanno
Board Member	*Board Member*	*Board Member*	*Board Member*
(signed)	*(signed)*	*(signed)*	*(signed)*

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in USD 1 000 unless otherwise stated

For the year ended 31 December

	Notes	2023	2022
Revenues	6-7	19.208	18.999
Cost of goods sold	6-8	-7.999	-6.629
Depreciation and amortization	6-8-16	-5.741	-3.168
Gross profit		**5.468**	**9.201**
Exploration cost expensed	6	-592	-427
Administrative expense	6-9	-10.232	-4.870
Impairment	6	-	-717
Other income/(expenses)	6-13	237	-328
Result from operation activities		**-5.119**	**2.859**
Net finance (cost)/income	6-14	-7.453	-678
(Loss)/Profit before income tax		**-12.572**	**2.181**
Net income tax	15-6	-1.731	-2.845
(Loss)/profit of the year		**-14.303**	**-664**
Other comprehensive income for the year		-	-31
Total comprehensive (loss)/income for the year		**-14.303**	**-695**
Attributable to:			
Equity holders of the parent		-14.303	-695

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in USD 000	Notes	As of 31 December, 2023	As of 31 December, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	6-16	27.336	18.018
Exploration and evaluation assets	6-17	3.605	3.605
Total non-current assets		**30.941**	**21.623**
Current assets			
Inventories	21	298	374
Trade and other receivables	19	8.744	3.731
Cash and cash equivalents, restricted	22-23	4.265	5.980
Cash and cash equivalents, non-restricted	22-23	1.164	2.410
Total current assets		**14.471**	**12.495**
TOTAL ASSETS		**45.412**	**34.118**
EQUITY			
Share capital and share premium	24	166.108	165.608
Other paid-in equity		4.744	4.744
Accumulated loss		-187.631	-173.328
Total equity		**-16.779**	**-2.976**
LIABILITIES			
Non-current liabilities			
Borrowings	6-26	24.860	21.509
Retirement benefit obligations	20-27	502	260
Provisions for other liabilities and charges	27	11.651	3.535
Other long term payables	29	3.235	630
Total non-current liabilities		**40.248**	**25.934**
Current liabilities			
Borrowings/interest-bearing liabilities		3.551	2.310
Trade and other payables	28	17.386	3.991
Income Tax Payable		-	2.382
Provisions for other liabilities and charges	6-27	1.006	2.477
Total current liabilities		**21.943**	**11.160**
TOTAL LIABILITIES		**62.191**	**37.094**
TOTAL EQUITY AND LIABILITIES		**45.412**	**34.118**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in USD 000

	Share capital and share premium	Other paid-in equity	Retained earnings	Total equity
Balance at 31 December 2021	**163.686**	**4.744**	**-172.633**	**-4.203**
Capital Increse - Shares issued	1.922	-	-	1.922
Loss of the year	-	-	-695	-695
Balance at 31 December 2022	**165.608**	**4.744**	**-173.328**	**-2.976**
Capital Increase - Shares issued	500	-	-	500
Loss of the year	-	-	-14.303	-14.303
Balance at 31 December 2023	**166.108**	**4.744**	**-187.631**	**-16.779**

CONSOLIDATED CASH FLOW STATEMENT

Amounts in USD 000

For the year ended 31 December	**2023**	**2022**
Cash generated from operations		
Comprehensive income/(loss) for the period	**-14.303**	**-695**
Depreciation and amortization	5.958	3.544
Change in retirement benefit obligation	242	-
Change in tax payable	1.731	2.197
Other net financial expense	2.850	-
Impairment loss on PP&E	-	201
Changes in net working capital		
Inventories	76	195
Trade and other receivables	-5.013	-1.616
Trade and other payables and provisions	8.032	-2.339
Net cash generated from operating activities	**-427**	**1.486**
Cash flows from investing activities		
Changes in restricted cash	1.715	-2.125
Business acquisition	-1.000	-
Purchases of PP&E	-3.276	-1.676
Net cash used in investing activities	**-2.561**	**-3.801**
Cash flows from financing activities		
Interest paid	-1.953	-1.956
Change in borrowings	3.695	386
Capital Increase	-	1.918
Net cash used in financing activities	**1.742**	**348**
Net (decrease)/increase in cash and cash equivalents	**-1.246**	**-1.967**
Non restricted cash and cash equivalents at beginning of the period	2.410	4.378
Non restricted cash and cash equivalents at end of the year	**1.164**	**2.410**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Interoil Exploration and Production ASA (the "Company") and its subsidiaries (together with 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 Argentina and 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 organization number 988 247 006.

The Company's registered office is Ruseløkkveien 14, 0251 Oslo, Norway.

The principal activities of the Group are described in the Board of Directors Report.

These consolidated financial statements have been approved for issue by the Board of Directors on May 8th 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared following IFRS® Accounting Standards as adopted by the European Union (EU). The consolidated financial statements are presented in USD and are rounded up to thousands (1000). The consolidated financial statements have been prepared under the historical cost convention, except for financial assets and liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.17.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year.

2.2 Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Thus, the Group controls an entity if and only if the Group has all the following:

- •Power over the entity;
- •Exposure, or rights, to variable returns from its involvement with the entity; and
- •The ability to use its power over the entity to affect the returns of the Group.

There is a presumption that if the Group has the majority of the voting rights in an entity, the entity is considered a subsidiary. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity, including ownership interests, voting rights, ownership structure and relative power, as well as options controlled by the Group and shareholder's agreement or other contractual agreements

The assessments are done for each investment. The Group re-assesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Business combinations are accounted for, by using the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Transaction costs other than share and debt issuance costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. Any excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill if applicable. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Non-controlling interests when exist are presented separately under equity in the Group's balance sheet.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The consideration is recognized at fair value and the difference between the consideration and the carrying amount of the non-controlling interests is recognized at the equity attributable to the parent.

In cases where changes in the ownership interest of a subsidiary lead to loss of control, the consideration is measured at fair value. Assets (including goodwill) and liabilities of the subsidiary and non-controlling interest at their carrying amounts are derecognized at the date when the control is lost.

The fair value of the consideration received is recognized and any investment retained is recognized at fair value. Gain or loss is recognized in profit and loss at the date when the control is lost.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements for all significant companies in the Group are measured using the US Dollar as a functional (the "functional currency"). The consolidated financial statements are presented in USD, which is as well the functional currency for the parent company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Financial Officer and the Chief Executive Officer. They are responsible for strategic decisions and together with local management allocating resources and assessing the performance of the operating segments.

2.5 Revenue recognition

Revenues are recognized to the extent that the economic benefits will probably flow to the Group and the revenue can be reliably measured.

Sales revenue related to the sale of oil and gas is recognized when the risk and benefits related to ownership of the sold products are transferred to the customer and the Group no longer has the possession of or control over the products according to time of delivery based on contractual terms in the sales agreements, i.e. when deliveries are made at a sales transfer point. Sales are presented net of royalty payments.

Revenues related to testing production for new wells in association contracts are recognized as revenues according to the principles above.

Sales of services are recognized as income once the service has been rendered.
Revenue compromises the invoiced value of the sale of products and services net of indirect taxes, royalties and sales adjustments. Distribution costs for products to be sold are included in the income statement as lifting costs.

2.6 Tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss

The income tax expense consists of the tax payable and changes to deferred tax.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and, probably, the temporary difference will not reverse in the foreseeable future.

2.7 Classifications

Classification in the statement of financial position

Interoil separately presents current and non-current assets and liabilities in its statement of financial position. Assets and liabilities are classified as current when it is expected to be realized (or are intended for sale or consumption) in the normal operating cycle, is held primarily for being traded, or is expected to be realized within twelve months after the reporting period. Also, cash or cash equivalent assets are classified as current assets, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. A liability is classified as a current liability if it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that can be settled with equity instruments at the option of the counterparty, do not affect its classification. Other balance sheet items are classified as non-current assets / non-current liabilities.

Classification of income and expenses

Operating expenses in the statement of comprehensive income are presented by function. The cost of goods sold includes lifting costs and changes in inventory. Depreciation and amortization of production assets are presented on a separate line under the cost of goods sold. Exploration costs expensed includes seismic acquisitions, internal costs incurred and the cost of dry wells. Administrative expenses include employee benefit expenses, general and administration expenses and depreciation and amortization of non-oil assets. Other income/ (expense) includes refund of operating expenses based on association contracts and jointly controlled operations, gain/loss on sale of PP&E and other income and expenses. Information on the nature of expenses is presented by their nature in the notes to the financial statements.

2.8 Property, plant, and equipment

2.8.1 Intangible assets

(a) Exploration and evaluation of assets

Some exploration and evaluation assets are classified as intangible assets according to IFRS 6, for example, concession acquisition costs and capitalized exploration costs. When the technical feasibility and commercial viability of the assets are demonstrable, the assets are reclassified to development assets within the property plant and equipment. The exploration and evaluation assets which are classified as intangible are assessed for impairment before reclassification.

(b) Other intangible assets

Acquired computer software licenses are capitalized based on the cost incurred to acquire and bring to use the specific software. These costs are amortized over the estimated useful lives (three to five years). All intangible assets in the Group are fully amortized.

Proceeds from the sale of oil and gas concessions in the exploration stage are recognized as revenue.

2.8.2 Oil and Gas assets

Exploration and production rights assets

Oil exploration expenditures are accounted for using the successful efforts method of accounting. Some exploration and evaluation assets should be classified as intangible, for example, concession acquisition costs and capitalized exploration assets. Costs are accumulated on a field-by-field basis. Geological and geophysical costs are expensed as incurred, except for costs connected to areas with proven reserves which are capitalized. Costs directly associated with an exploration well are capitalized until the determination of reserves is evaluated. Each exploration well is considered to be a cash-generating unit (CGU) when considering the impairment of the evaluation and exploration asset. If the commercial discovery has not been achieved, these costs are charged to expense.

Once commercial reserves are found, exploration and production rights assets are tested for impairment and transferred to development assets. No depreciation and/or amortization is charged during the exploration phase.

Impairment

Production rights, exploration, and development assets (see below) are tested for impairment whenever facts and circumstances indicate impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher fair value of the assets minus costs to sell them and their value in use. To assess impairment, the assets subject to testing are tested for impairment on a production field (CGU) by production field basis using forward oil prices from financial markets.

2.8.3 Development assets

Expenditure on the construction, installation, or completion of infrastructure facilities such as production equipment, pipelines and the drilling of commercially proven development wells is capitalized within tangible assets. When development is completed in a specific field, it is transferred to production assets. No depreciation and/or amortization is charged during the development phase.

2.8.4 Oil production assets

Oil production assets are aggregated exploration, production rights assets and development expenditures associated with the production of proved reserves. Furthermore, the oil production assets include property leasehold acquisition costs directly attributable to production assets.

Oil production assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher an asset’s fair value minus costs to sell and value in use. To assess impairment, the proved oil and gas properties subject to testing are tested for impairment on a production field (CGU) by production field basis.

2.8.5 Other assets

Other property, plants and equipment are other assets not classified as either development or oil-producing assets and are stated at historical cost less depreciation and impairment. Historical costs include expenditures that are directly attributable to the acquisition of the items. Depreciation is calculated using the straight-line method to allocate their cost to their values over their estimated useful lives (3 – 10 years). The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period.

2.8.6 Depreciation and amortization

Oil and Gas assets that are purchased are depreciated and amortized using the unit-of-production method based on proved reserves (P1). Exploration and development assets transferred to production assets are depreciated using the unit-of-production method based on proved reserves (P1) and amortized using the unit-of-production method based on proved reserves (P1), which are oil mineral reserves estimated to be recovered from existing facilities using current operating methods.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value minus costs to sell and value in use.

2.9 Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument and are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments classified as amortized costs are included in the carrying value of such instruments. Transaction costs directly attributable to the acquisition of financial instruments classified as fair value through profit or loss (“FVTPL”) are expensed as incurred.

2.9.1 Financial assets

Financial assets are subsequently measured at either amortized cost using the effective interest method or fair value based on their classification and classified into the following categories: Loans receivables and financial assets are subsequently measured at amortized cost less impairment if they meet the following conditions:

• The asset is held within a business model whose objective is to hold assets to collect contractual cash flows.
• The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
• The asset was not acquired principally to sell in the near term or for management for short-term profit-taking (i.e., held for trading).

All other financial assets, except equity investments as described below, are classified as FVTPL and subsequently measured at fair value with gains or losses arising from changes in fair value recorded in net (loss) income.

At each reporting date, the Company assesses whether a financial asset or group of financial assets is impaired. Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.9.2 Financial liabilities

Financial liabilities are classified as FVTPL if they are held for trading or designated as FVTPL on initial recognition. Financial liabilities at FVTPL are measured at fair value with gains and losses arising from changes in fair value recognized in net (loss) income. Other financial liabilities are measured at amortized cost using the effective interest method. Fair value hierarchy The Company uses a three-level hierarchy to categorize the significance of the inputs used in measuring or disclosing the fair value of financial instruments. The three levels of the fair value hierarchy are as follows:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, trade and other payables. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are, if any, included as a component of cash and cash equivalents for the statement of cash flows.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income throughout the borrowings using the effective interest method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the effective interest rate method amortization process. Other financial liabilities are presented as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.9.3 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

2.10 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out (FIFO) method. Inventory cost includes raw material, freight, and direct production expenses together with a portion of indirect expenses.

2.11 Employee benefits

Defined benefit plans:

The Group operates two defined benefit plans. One for the employees in the holding company, Interoil Exploration and Production ASA which finished in 2019, and one for employees in the Colombian subsidiary employed in the years from 1991 to 1994. Both schemes are funded through payments to insurance companies, determined by periodic actuarial calculations. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. From 1995 it was mandatory for all employees in Colombia to be affiliated with a private or public pension fund. The Colombian defined benefit plan will result in payments if the employees have not collected 20 years under this governmental pension law.

The cost of providing benefits under the defined benefit plans is determined using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under “cost of sales”, “administration expenses” and “selling and distribution expenses” in the consolidated statement of profit or loss (by function):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income.

2.12 Provisions

General:

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of past events, and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as an interest expense.

Abandonment and decommissioning liabilities:

Under the terms of the concessions where the Group has an ownership interest, the local authorities may instruct the concession holders to remove the facilities partly or completely at the end of production or when the concession period expires. Upon initial recognition of a liability when the Company has a constructive obligation, the company calculates and records the net present value related to future abandonment and decommissioning. The same amount is capitalized as part of the cost price of the asset and depreciated using the unit of production method. The change in the time value of the liability related to the abandonment and decommissioning is charged to expense as other expenses and increases the future liability related to the abandonment and decommissioning. Any change in the estimate related to expenditures associated with abandonment and decommissioning liabilities are accounted for prospectively (remaining production) based on the unit of production method.

2.13 Leases

The Company adopted the standard IFRS 16, effective January 1, 2019, from that date the Company assesses at contract inception whether a contract is, or contains a lease. That is if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis throughout the lease.

2.14 Non-current assets held for sale and discontinued operations

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured following the Group’s accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value minus costs to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured following the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognized in profit or loss. Gains are not recognized more than any cumulative impairment loss.

The Group does not classify non-current assets (or disposal groups) that are to be abandoned as held for sale, since it carrying amount will be recovered principally through continuing use. However, if the disposal group to be abandoned represents a separate major line of business or geographical area of operations; is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with a view to resale, the Group will present the results and cash flows of the disposal group as discontinued operations at the date on which it ceases to be used.

Intangible assets and property, plant and equipment (PPE) once classified as held for sale or discontinued operations are not amortized or depreciated.

2.15 Accounting for farm in

Farm-in agreements are usually entered into in the exploration phase and are characterized by the transferor waiving future financial benefits in the form of reserves, in exchange for reduced future financing obligations. For example, a concession interest is taken over in return for a share of the transferor's expenses relating to the drilling of a well. In the exploration phase, the company normally accounts for farm-in agreements on a historical cost basis, as the fair value cannot be reliably determined.

2.16 Interest in jointly controlled operations

Certain of the Group's activities, particularly exploration and production, are conducted through unincorporated joint ventures where the ventures have a direct ownership interest in and jointly control the assets of the venture. The Group recognizes, on a line-by-line basis, its share of the assets, liabilities and expenses of a jointly controlled operation, along with the Group's income from the sale of its share of the output and liabilities and expenses incurred about the venture.

Concessions are funded through cash calls from the operator to the concession partners. The net of total cash called and total payments made under the concession, the over-/under call, is recognized in the statement of financial position as other short-term receivables or other current liabilities respectively.

When the Group, acting as an operator, receives reimbursement of direct costs recharged to the joint venture, such recharges represent reimbursements of costs that the operator incurred as an agent for the joint venture and therefore do not affect profit or loss.

2.17 Critical accounting estimates and judgments

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent liabilities, at the end of the reporting period and amounts of revenues and expenses recognized during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience, historical experience, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

2.17.1 Impairment of exploration and other oil-related assets

The Group tests whether exploration assets and oil-related assets have been subject to any impairment, following the accounting policy stated in note 2.8. The recoverable amounts of cash-generating units and individual assets have been determined based on value-in-use calculations as net present value (before tax). These calculations require the use of estimates and assumptions such as management evaluations in addition to discount rates, expected future cash flows and future market conditions, including production, remaining proved and probable reserves (P2), future capital expenditure, lifting cost and forward oil price. It is reasonably possible that these assumptions may change, which may then impact the estimated life of the field and may then require a material adjustment to the carrying value of exploration assets and oil-related assets. The Group monitors internal and external indicators of impairment relating to its tangible and intangible assets.

2.17.2 Abandonment and decommissioning liabilities

Abandonment and decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing and amount of expenditure can also change, for example, in response to changes in reserves or changes in laws and regulations or their interpretation. As a result, there could be significant adjustments to the provisions established which would affect future financial results (see note 17).

2.17.3 Hydrocarbon reserves and resource estimates

Oil and gas production properties are depreciated on units of production basis at a rate calculated by reference to total proved developed reserves determined following Society of Petroleum Engineers rules and incorporating the estimated future cost of developing those reserves. The Group estimates its commercial reserves based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil in place, recovery factors and future oil prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the Production-Sharing Agreements. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs.

As the economic assumptions used may change and as additional geological information is produced during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group's reported financial position and results which include:

- The carrying value of exploration and evaluation assets, oil and gas properties and property, plant and equipment may be affected due to changes in estimated future cash flows.
- Depreciation and amortization charges in profit or loss may change where such charges are determined using the units of production method, or where the useful life of the related assets changes.

• Provisions for decommissioning may change - where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.
• The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and estimates of the likely recovery of such assets.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise accounts payable, bank loans and overdrafts, and debentures. The main purpose of these financial instruments is to manage short-term cash flow and raise finance for the Group's capital expenditure program. The Group has various financial assets such as trade and other receivables and cash and short-term deposits that arise directly from its operations.

The Group manages its exposure to key financial risks following its financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main financial risks that could adversely affect the Group's financial assets, liabilities or future cash flows are market risks, comprising commodity price risk, cash flow interest rate risk and foreign currency risk; and liquidity risk and credit risk.

The Group's overall risk management plan focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the administration and finance department supervised by the Chief Financial Officer. The Board of Directors reviews and agrees on policies for managing each of these risks summarized below. The Group is continuously updating and reviewing its financial manual to ensure proper and uniform entries and reporting of all transactions, following IFRS and Group policy. The Board provides management with guidelines for overall risk management.

3.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: commodity price risk, interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, trade receivables, trade payables, accrued liabilities and derivative financial instruments.

Foreign exchange risk;
The Group operates internationally and is, to some extent, exposed to foreign exchange risk arising from currency exposures concerning the following currencies; NOK, ARS and COP. Revenue is invoiced to the customers in USD, 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 instruments to hedge the above-mentioned risk exposures.

Price risk.
The Group is exposed to changes in oil prices. The results of Interoil's operations largely depend on several factors, most significantly those that affect the price Interoil receives for the sold products. Specifically, such factors include the level of crude oil and some extent natural gas prices. Interoil's results will also be affected by trends in the international oil industry, including possible actions by governments and other regulatory

authorities in the jurisdictions in which we operate, or possible or continued actions by members of the Organization of Petroleum Exporting Countries (OPEC) and other major oil-producing countries that affect price levels and volumes; the increasing cost of oilfield services, supplies and equipment; increasing competition for exploration opportunities and operatorship's, and deregulation of the markets, which may cause substantial changes to the existing market structures and the overall level and volatility of prices.

Interest rate risk;

As the Group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates. The group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk.

The group analyses its interest rate exposure on a dynamic basis. The group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

3.2 Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risk is, in other words, the risk that Interoil's customers or counterparties will cause a financial loss by failing to honour their obligations. Interoil sells its production in Colombia and Argentina to different market players.

The credit risk is low due to the creditworthiness of these customers. Management does not expect any losses from non-performance by these counterparties. Maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. A minimum of the current trade and receivables are past due. No impairment charges are made.

3.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and developing operations according to budget. Liquidity risk is the risk that the Group will not be able to meet all obligations when due. The purpose of liquidity and short term liability management is to make certain that the Group at all times has sufficient funds available to cover financial and operational obligations in addition to funding the Group's drilling program. Funding needs arise as a result of the Group's general business activity. Liquidity forecasts serve as tools for financial planning. New non-current funding will be initiated if liquidity forecasts reveal non-compliance with given limits unless further detailed considerations indicate that the non-compliance is likely to be temporary. In this case, the situation will be further monitored.

Management monitors rolling forecasts of the Group's expected cash flow from operations. Weekly, monthly and quarterly reports are reviewed and analyzed by management and all cost categories are matched with budgets and historical figures. Important accounts are reconciled continuously.

The market conditions are very challenging. Continuous variances in oil prices put pressure on profitability and cash. The Company has implemented and maintains cost efficiency programs to try to mitigate the effects of the prices variances.

The Group will have certain events that can cause liquidity constraints, such as the guarantee and drilling obligations about Altair and LLA-47.

3.4 Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in the short run and provide returns for shareholders, and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital in the long run. See note 4 for additional information ongoing concern. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Due to tight liquidity over several years, the Group could not declare dividends.

The Group's cash flow from operations may not be sufficient to fund its ongoing activities and implement its business plans. From time to time the Group may enter into transactions to acquire assets or the shares of other companies. These transactions, along with the Group's ongoing operations, may be financed partially or wholly with debt, which may increase the Group's debt levels above industry standards. Depending on future exploration and development plans, the Group may require additional financing, which may not be available or, if available, may not be available on favourable terms. Failure to obtain such financing on a timely basis could cause the Group to forfeit or forego various opportunities.

The Group has a significant amount of debt. 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 Group's assets, including its subsidiaries. If the Group is unable to comply with the terms of the financing agreements and accordingly is required to obtain additional amendments or waivers from its lenders relating to an existing or prospective breach of one or more covenants in its financing agreements, the lenders may require the Group to pay significantly higher interest going forward.

The operations of the Group are conducted through its subsidiary in Colombia and Argentina and a bank facility is secured on the Colombian assets. In the event of insolvency, liquidation or a similar event relating to 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 Group could result in the obligation of the Company to make payments under parent financial or performance guarantees in respect of such subsidiaries. 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 Group, whether under bankruptcy law, by contract or otherwise.

The exploration and development of hydrocarbon reserves are highly capital intensive and are associated with considerable uncertainty in terms of the relationship between budgeted costs and actual costs. The Group may, therefore, from time to time, experiment that the actual costs of one or more of its developments and/or undertakings are materially higher than the projected costs. The Group will also be required to make a substantial capital expenditure for the acquisition of oil and gas reserves in the future.

The Group may hence require additional funding in the future to cover working capital and investment needs for future development and growth. There can be no assurance that the Group will be able to obtain necessary funding on time and acceptable terms. Should the Group not be able, at any time, to obtain the necessary funding on time and acceptable terms, the Group may be forced to reduce or delay capital expenditures or sell assets or businesses at unanticipated times and/or at unfavourable prices or other terms, or to seek additional equity capital (having a dilutive effect on existing shareholders) or to restructure or refinance its debt. There can be no assurance that such measures would be successful or would be adequate to meet debt and other obligations as they come due, or would not result in the Group being placed in a less competitive position.

Regardless of current oil international events, Interoil is consistently working with local authorities and regulators towards extending exploratory work commitments timeframe as well as their guarantees.

The Group is constantly monitoring and adjusting the capital structure in light of actual and anticipated developments for its operations.

4. GOING CONCERN

The financial statements Annual Report have been prepared under the going concern assumption in accordance with the Norwegian Accounting Act § 3-3and the Board of Directors hereby confirms that this assumption is valid. Following the acquisition of 41% of the Santa Cruz assets in Argentina, current liabilities exceed temporarily current assets, since there was a delay in payments from the prior owner, which Interoil is in the process of normalizing, and expects to rebalance in the course of 2024.

Interoil has paid in kind interest for its Corporate Bond in July 2023 and January 2024, and will continue proposing payment in kind to its bondholders if needed, expecting that the majority bondholders will continue providing their approval as they did in all instances required. The Board of Interoil acknowledges that the Company needs to start the refinancing process as the bond is coming to maturity on January 2026.

5. COUNTRY-BY-COUNTRY REPORTING

In line with regulatory developments in the European Union, the Norwegian government has introduced country-by-country reporting requirements for multinational companies operating in extractive industries. Activities in each country of operations are to be reported. The information includes investments, sales revenue, production volumes and number of employees.

Amounts in USD 000	2023 Colombia	2023 Argentina	2022 Colombia	2022 Argentina
Revenues	10.511	8.698	17.513	1.486
Purchases of goods and services	9.905	2.975	2.574	612
Investments	-	4.276	1.676	-
Income taxes paid	-	-	335	-
Salaries and social benefit	960	1.884	926	101
Number of employees	52	78	55	7

6. SEGMENT INFORMATION

The Group’s organizational structure reflects the different actigvities in which Interoil is engaged. Management has determined the operating segments based on reports that are reviewed and used to make strategic decisions. The Group has two reportable segments, Colombia and Argentina, which consist of upstream activities including oil and natural gas exploration, field development and production from the Group's concessions in Colombia and Argentina, which are the Group's strategic business units.

No operating segments have been aggregated to form the above reportable operating segments. Management monitors the operating results of its business units separately to make decisions about resource allocation and performance assessment. Segment performance is evaluated based on production, operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Segment revenues and segment results include transactions between business segments. These transactions and any unrealised profits and losses are eliminated. Transfer prices between operating segments are on an arm's length basis like transactions with third parties. Corporate/unallocated consists of other business and corporate activities.

As of 31 December 2023

Amounts in USD 1000	Colombia	Argentina	Norway	Total
Total revenue	10.510	8.698	-	19.208
Cost of goods sold ex depreciation	-4.792	-3.207	-	-7.999
Depreciation	-2.072	-3.669	-	-5.741
Gross Profit/ (loss)	**3.646**	**1.822**	**-**	**5.468**
Exploration cost expensed	-592	-	-	-592
Administrative expense	-4.793	-5.185	-254	-10.232
Other income/(expenses)	-	-	237	237
Result from operating activities	**-1.739**	**-3.363**	**-17**	**-5.119**
Net Finance (cost)/income	-1.545	-3.474	-2.434	-7.453
(loss) before income tax	**-3.284**	**-6.837**	**-2.451**	**-12.572**
Income tax expense	-1.731	-	-	-1.731
(Loss) for the period	**-5.015**	**-6.837**	**-2.451**	**-14.303**

As of 31 December 2022

Amounts in USD 1000	Colombia	Argentina	Norway	Group
Total revenue	17.513	1.486	-	18.999
Cost of goods sold ex depreciation	-5.701	-928	-	-6.629
Depreciation	-2.942	-226	-	-3.168
Gross Profit/ (loss)	**8.869**	**332**	**-**	**9.201**
Exploration cost expensed	-427	-	-	-427
Administrative expense	-4.782	-973	-334	-6.090
Impairment	-	-201	-	-201
Other income/(expenses)	-170	-	545	376
Result from operating activities	**3.490**	**-843**	**211**	**2.859**
Net Finance (cost)/income	244	1.116	-2.038	-678
(loss) before income tax	**3.734**	**273**	**-1.827**	**2.181**
Income tax expense	-2.845	-	-	-2.845
(Loss) for the period	**889**	**273**	**-1.827**	**-664**
Other comprehensive income (loss)	-31	-	-	-31
Total comprehensive (loss) income	**858**	**273**	**-1.827**	**-695**

As of 31 December 2023

Amounts in USD 1000	Colombia	Argentina	Norway	Group
Non-current assets	9.654	21.287	-	30.941
Current assets	6.230	7.354	887	14.471
Total segment assets	**15.884**	**28.641**	**887**	**45.412**
Non-current liabilities	7.797	7.591	24.860	40.248
Current liabilities	6.931	11.865	3.147	21.943
Total segment liabilities	**14.728**	**19.456**	**28.007**	**62.191**

As of 31 December 2022

Amounts in USD 1000	Colombia	Argentina	Norway	Group
Non-current assets	11.412	10.211	-	21.623
Current assets	7.367	2.086	3.042	12.495
Total segment assets	**18.779**	**12.297**	**3.042**	**34.118**
Non-current liabilities	4.900	-	21.034	25.934
Current liabilities	5.645	1.366	4.149	11.160
Total segment liabilities	**10.545**	**1.366**	**25.183**	**37.094**

7. SALE AND ROYALTY AGREEMENTS

Amounts in USD 000	2023	2022
Sale of oil	12.410	17.044
Sale of gas	6.798	1.955
Total Sales	19.208	18.999

Royalty agreements in Colombia

Payment as per the royalty agreement with Ecopetrol and with ANH (Hydrocarbons national agency) in Colombia varies between 8 – 20% on gross oil price and is paid in cash or in-kind (oil) depending on the contract. Royalty payments made in oil have been deducted from total sales reported by the Group. Royalty payments made in cash are included within cost.

Royalty agreements in Argentina

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

8. COST OF GOODS SOLD

For the year ended 31 December

Amounts in USD 000	2023	2022
Lifting costs	7.919	4.900
Changes in inventory	80	140
Other costs	-	1.589
Total costs of goods sold	7.999	6.629
Depreciation	5.741	3.168

9. ADMINISTRATIVE EXPENSES

For the year ended 31 December

Amounts in USD 000	2023	2022
Employee benefit expenses	2.844	1.027
General and administration expenses	7.171	3.468
Depreciation non-oil assets	217	375
Total administrative expenses	10.232	4.870

10. TRANSACTIONS WITH RELATED PARTIES

Consolidated subsidiaries

Interoil Exploration and Production ASA has 100% (direct and indirect) shareholding and voting rights in the following subsidiaries:

Company	Registered business address	shareholding voting rights
UP Colombia Holding AS	Norway	100%
Interoil Colombia Exploration and Production Inc.	BVI	100%
Interoil Colombia Exploration and Production (Branch)	Colombia	100%
Interoil Argentina AS	Norway	100%
Oil Investment Inc	Panama	100%
Oil Investment Inc (Branch)	Argentina	100%
Interoil Argentina SA	Argentina	100%
Interoil Drilling Services AS	Norway	100%
Interoil Peru Holding AS	Norway	100%

All subsidiaries are included in the consolidated financial statements. See note 2.2 for consolidation principles. Transfer prices with consolidated subsidiaries are on an arm's length basis like transactions with third parties.

The following assets have been pledged as security for the interest-bearing borrowings (see note 13 and 26) Assets owned by Interoil Exploration and Production ASA:

- All shares invested in UP Colombia Holding AS
- All current and future rights and receivables under the intercompany loans

Assets owned by UP Colombia Holding AS:
- Inventory, operating assets, receivables and bank accounts

UP Colombia Holding AS acts as an independent primary obligor for the bond loan

11. REMUNERATION OF SENIOR EXECUTIVES

The Group Senior Management consists of the CEO, CFO and General Manager. The Group management is not part of a pension scheme, and there are no benefits in kind. The employment contract for the General Manager can be terminated on 3-month notice with payments for the period. Members of the Board of Directors have no right to severance pay. No loans have been given to, or guarantees given on behalf of, any members of the Group Management, the Board or other elected corporate bodies. The compensation structure and guidelines for Executive Management and key employees are subject to annual review and approval by the Board of Directors.

The remuneration of senior executives in 2023 was following the declaration that was submitted to the General meeting in 2022. There will be no extra fee to the audit committee, and no fee to the Nomination Committee.

Amounts in USD 000

Members of Board of Directors	Position	Period	Salary (100% fix)
Hugo Quevedo	Chairman	01.01-31.12	40
Nicolás Acuña	Member	01.01-31.12	18
Isabel Valado	Member	01.01-31.12	18
Germán Ranftl	Member	01.01-31.12	18
Laura Marmol	Member	01.01-31.12	18
Carmela Saccomanno	Member	01.01-31.12	18
Leandro Carbone	CEO	01.01-31.12	180

12. EXTERNAL AUDIT REMUNERATION

PricewaterhouseCoopers (PwC) was elected auditors for the group in 2015. The following table shows total audit and non-audit fees expensed in the period, excluding VAT:

For the year ended 31 December 2023

Amounts in USD 000	Audit Fee	Other assurance	Tax services	Other non-assurance	**Total**
PwC Norway	124	10	-	-	134
PwC Colombia	56	-	-	-	56
PwC Argentina	61	-	-	-	61
Total	241	10	-	-	251

13. OTHER INCOME / (EXPENSE)

For the year ended 31 December

Amounts in USD 000	2023		2022
Other income	237		-
Total other income	237		-
Provision for legal claims	-	-	12
Other expense	-	-	315
Total other expense	-	-	328
Total other income (expense)	237	-	328

14. FINANCE INCOME AND COST

For the year ended 31 December

Amounts in USD 000	2023	2022
Realized/unrealized exchange rate gain	10.526	2.180
Interest expenses	-2.850	-2.543
Acretion	-223	-194
Other financial expenses	-	-121
Finance(expense)/income-net	7.453	-678

15. TAXES

The major components of income tax (credit)/expense are:

Amounts in USD 000	2023	2022
Consolidated income statement:		
Current income tax:	1.647	2.910
Prior year adjustments	84	-65
Income tax (credit)/expense in income statement	1.731	2.845

A reconciliation between tax expense and the product of accounting profit and the nominal tax rate:

Amounts in USD 000	2023	2022
Accounting (loss)/profit before tax	-9.640	2.181
Expected income tax according to nominal tax rate	-4.338	2.572
Prior year adjustments	84	-65
Permanent differences	5.985	338
Total income taxes	1.731	2.845

The nominal tax rate in Norway, Colombia and Argentina is respectively 22%, 45% and 35%.

Deferred tax relates to the following:

Deferred tax liability recognized in balance sheet:

Amounts in USD 000	2023	2022
Fixed assets	1.242	1.805
Provisions	-1.242	-1.805
Deferred tax liabilities	-	-

Tax liability

In the case concerning the tax liability described in the Company's annual report for 2020 and dating back to 2011, the Colombian National Tax and Customs Office (DIAN), had accepted Interoil's petition to pay amounts that were subject to litigation and eventually to be borne by the Company in five (5) years and with a reduced interest rate equal to 20% of the market interest rate, according to the benefits granted by Section 45 of Colombian law 2155/2021 (the "Beneficial Regime"). During 2023 the Company prepaid this liability in full.

Colombia income tax refinancing

Interoil Colombia has reached an agreement with the local tax authorities to refinance income taxes owed for 2022 in 60 monthly installments. Amounts refinanced are included under noncurrent liabilities in the balance sheet.

16. PROPERTY, PLANT AND EQUIPMENT

The depreciation expense has been charged to the consolidated statement of comprehensive income as follows:

Amounts in USD 000	2023	2022
Depreciation	5.741	3.168
Administrative expenses	217	375
Total depreciation expense	5.958	3.543

Impairment testing of individual cash-generating units is performed when impairment indicators are identified.

Impairment is recognised when the book value of an asset or cash-generating unit exceeds the recoverable amount. The recoverable amount is the higher the asset's fair value less cost to sell and value in use.

The recoverable amount of each CGU was calculated using a fair value approach based on the Company's updated projections of future cash flows generated from proved and probable reserves P2 and discounted using an after-tax rate that reflects the current market valuation of the time value of money, and the specific risk related to the asset. Cash flows are projected for the estimated lifetime of each field.

The results of the impairment tests are sensitive to changes in other estimates such as revisions in reserves, expected production, local price differentials, future operating costs and development capital expenditures, long-term inflation and foreign exchange rates which could impact the calculation of recoverable amounts for CGUs. See note 2.17 for further information.

The recoverable amounts of CGUs are most sensitive to changes in the discount rate and future oil prices. The results of the impairment tests are sensitive to changes in other estimates such as revisions in reserves, expected production, local price differentials, future operating costs and development capital expenditures, long-term inflation and foreign exchange rates which could impact the calculation of recoverable amounts for CGUs.

Acquisition of additional stake in Santa Cruz (Argentina) assets

In May 2023, the Company announced the acquisition of 43% of the concessions located in the Province of Santa Cruz (where the Company already had an 8.34% share) from Echo Energy PLC. This acquisition was completed in July 2023. Echo retained a 5% working interest in the concessions.

The Company paid a cash consideration of £825,000, and £400,000 via transfer to Echo of IOX shares issued at a subscription price of 1.15 NOK per share. Additionally, the Company subscribed Echo shares for an aggregate amount £ 75,000, at a value of GBP 0.065 per Echo share.

This transaction allowed Interoil to secure a substantial increase of its participating interest in the above-mentioned Santa Cruz Exploitation Concession adding a significant number of boepd to its equity production against a convenient consideration substantially payable in kind and with limited dilution.

The deal also resulted in an improvement of the joint venture ability to carry out actions for production increase.

17. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets correspond to Cañadon Ramirez and La Brea which were acquired in 2019. For more detail, please refers to the Board of Director's report, section operations/Argentina. There are no impairment indicators for these areas.

18. ASSETS NOT IN USE

In 2017, the group acquired and refurbished a new gas treatment plant meant to be used in the Puli C contract where a special environmental approval needed to be granted by the Colombian Environmental (ANLA) before its use. By the time the environmental permit was granted the need for a gas treatment plant in Puli C was commercially solved by selling Puli C raw gas to a third party; thus, the group decided to sell the gas treatment plant.

The group is seeking the best alternative to obtain the maximum result for this operation.

19. TRADE AND OTHER RECEIVABLES

Amounts in USD 000	2023	2022
Trade receivables	4.808	727
Trade receivables - net	4.808	727
Joint operations accounts	131	149
Prepayments	456	346
Other short-term receivables	3.349	2.508
Total trade and other receivables	8.744	3.731

Trade receivables are non-interest bearing and are generally on 15 – 90 days terms. No trade receivables were past due. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. The Group does not hold any collateral as security.

20. RETIREMENT BENEFIT

The following tables summarize the components of the defined benefit plan:

Amounts in USD 000	2023	2022
Defined benefit obligation at the end of the year	502	260
Retirement benefit obligation liability	502	260

The movement in the defined benefit obligation over the year is as follows:

Amounts in USD 000	2023	2022
Beginning of the year	260	629
Interest cost/ Used during the period / Additional provisions	97	42
Exchange rate differences	145	-108
Retirement benefit obligation liability	502	260

Defined benefit plan

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

Defined contribution plan

The Group's subsidiary in Colombia has defined contribution plans in accordance with local legislation. The contributions are recognized as expenses.

21. INVENTORIES

Period ended 31 December		
Amounts in USD 000	2023	2022
Spare parts, etc	193	250
Crude oil	105	124
Total inventories	298	374

22. FINANCIAL INSTRUMENTS

Amounts in USD 000	Notes	Assets, liabilities at	Total carrying	Fair value
Current:				
Trade receivables	19	8.744	8.744	8.744
Cash and cash equivalents	23	5.429	5.429	5.429
Total financial assets		14.173	14.173	14.173
Non-current:				
Bond loan		24.860	24.860	24.860
Current:				
Loans		3.551	3.551	3.551
Trade and other payables		17.386	17.386	17.386
Total financial liabilities		45.797	45.797	45.797

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The bond loan is included in level 2, the rest of assets and liabilities are included in level 3.

During the reporting period there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers in and out of Level 3 fair value measurements.

The carrying amount of trade and other receivables approximates their fair value.
The carrying amount of trade and other payable is considered to approximate their fair value.
The fair value of the other non-current interest-bearing liabilities equals their carrying amount.
The carrying amount of the current interest-bearing liabilities approximates the fair value.

23. CASH AND CASH EQUIVALENTS

Amounts in USD 000	2023	2022
Bank deposits denominated in USD	4.265	372
Bank deposits denominated in NOK	529	1.926
Bank deposits denominated in COP	492	5.925
Bank deposits denominated in ARS	143	167
Cash and cash equivalents	5.429	8.390

Restricted cash mainly relates to cash collateral guarantees in Colombia.

24. PAID IN CAPITAL

All issued shares are paid in full. All shares give equal rights in the Company. Nominal value per share is NOK 5.

In July 2022, the Company's Board of Directors resolved to issue a total of 15,201,296 shares at a subscription price of NOK 1.30 per share, resulting in total gross proceeds of NOK 19,761,684.80 to the Company.

In July 2023, as part of the closing of the transaction by virtue of which Interoil acquired 43% of the Santa Cruz assets located in Argentina, the Company resolved to issue 4,824,591 shares to Echo (the seller) at a subscription price of NOK 1.15 per share, as payment in kind of GBP 400,000 of the purchase price of part of the acquisition.

%	Name	Country (citizensl	Type of account
10.6 %	GENIPABU INVESTMENTS LLC	United States	Ordinary
10.4 %	Euroclear Bank S.A./N.V.	Belgium	Nominee
6.8 %	Integra Oil and Gas S.A	Panama	Ordinary
4.9 %	SIX SIS AG	Switzerland	Nominee
3.7 %	Pershing LLC	United States	Nominee
3.1 %	Credit Suisse (Switzerland) Ltd.	Switzerland	Nominee
2.7 %	International Capital Markets Grou	Belize	Ordinary
2.4 %	Nordnet Bank AB	Sweden	Nominee
2.4 %	Brown Brothers Harriman & Co.	United Kingdom	Nominee
1.8 %	ARNE HELLESTØ AS	Norway	Ordinary
1.7 %	CLEARSTREAM BANKING S.A.	Luxembourg	Nominee
1.0 %	NORDNET LIVSFORSIKRING AS	Norway	Ordinary
0.8 %	HELLESTØ, Arne Fredrik	Norway	Ordinary
0.7 %	LEFDALSNES, Johan Gunnar Godø	Norway	Ordinary
0.6 %	OLSEN, Terje	Norway	Ordinary
0.6 %	SVENDSEN, Tor Egil	Norway	Ordinary
0.6 %	LUNDE, Odd Arild	Norway	Ordinary
0.5 %	MATHISEN, Per Harald	Norway	Ordinary
0.5 %	SIMPSON, Michael Roberg William	United Kingdom	Ordinary
0.5 %	SÆTHRE, Svein Olav	Norway	Ordinary
56.3 %	**Top 20 shareholders**		

25. EARNINGS PER SHARE

Basic

Basic earnings per share are calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Amounts in USD 000	2023	2022
(loss)/profit attributable to owners of the company	-14.303	-695
(loss)/profit used to determine diluted eps	-14.303	-695
Weighted average ordinary shares in issue (thousands)	202.188	182.162
Earnings per share (USD per share) - total	-0,01	-0,01
Diluted earnings per share (USD per share) - total	-0,01	-0,01

26. BORROWINGS

Period ended 31 December Amounts in USD 000	2023	2022
Total bond loan	24.860	22.898
Total bank loan	3.551	921
Total borrowings	28.411	23.819
Of which, current portion	3.551	2.310

The maturity of the Group's borrowings,included interest is as follows:

Amounts in USD 000	2023	2022
0-12 months	3.551	2.203
Between 1 and 2 years	-	1.282
Between 2 and 5 years	24.860	20.334
Total borrowings	28.411	23.819

Amounts in USD 000	2023
Bond loan as of Dec 31 2022	24.887
Interest paid	-1.954
Accrued interest	1.927
Balance at 31 December 2023	24.860

The Bond is due Jan 2026. The issuer may redeem the bonds in whole or in part at 105 % of face value plus accrued unpaid interest on the redeemed amount. The bonds have a nominal value of USD 1, and carry a fixed interest rate of 8.50 % payable semi-annually in arrears.

This annual report is being approved and filed after April 30 but within the 10-day cure period stated by the Bond indenture.

27. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Period ended 31 December Amounts in USD 000	2023	2022
Asset retirement obligations	9.741	2.764
Other obligations	2.916	3.248
Total provisions for other liabilities and charges	12.657	6.012
Of which, current portion:	1.006	2.477

The table below show movements of provisions	Asset retirement	Other obligations
As at January 1 2023	2.764	2.626
Additions	5.493	247
Utilizations	-356	-11
Actualization	1.840	54
As at December 31 2023	9.741	2.916
As at January 1 2022	5.623	1.918
Additions	179	6.338
Utilizations	-2.395	-5.477
Actualization	-642	-154
As at December 31 2022	2.764	2.626

Asset retirement obligations are liabilities for plugging, abandonment and decommissioning costs that are recognized since the Group should dismantle and remove facilities and restore the site on which it is located. The amount recognised is the present value of the estimated future expenditure determined under local conditions and requirements. No values are expected to be executed during the next 12 months.

Other long-term obligations are mostly related to the net present value of voluntary agreements regarding contributions to education for local communities. Other provisions and charges are related to the accounting of the association contract as outlined.

28. TRADE AND OTHER PAYABLES

For the year ended in December Amounts in USD 000	2023	2022
Trade creditors	14.935	3.955
Public duties payable	133	494
Prepayment from customer	872	395
Other accrued expenses	1.446	1.050
Total trade and other payables	17.386	5.894

29. OTHER LONG-TERM PAYABLES

There are no tax open administrative proceedings.

30. COMMITMENTS AND CONTINGENCIES

The Group is involved in various claims and litigation arising in the normal course of business. Since the outcomes of these matters are uncertain, there can be no assurance that such matters will be resolved in the Company's favour. No provisions have been made for the legal disputes discussed in this note. For legal disputes, in which the Group assesses to be probable (more likely than not) that an economic outflow will be required to settle the obligations, provisions have been made based on management's best estimate. The outcome of adverse decisions in any pending or threatened proceedings related to these and other matters could have a material impact on the Company's financial position, results of operations or cash flows.

31. SUBSEQUENT EVENTS

- In January 2024, the Company obtained authorization from its bondholders to amend the bond terms regarding the settlement of the interest payment on the Bonds falling due on 31 January 2024, which was settled fully in kind by issuing and delivering additional Bonds.
- Also in January 2024, the Company executed a reverse share split in a ratio of 10:1 to meet Oslo Bors' requirements of a minimum share value of NOK 1 per share. Following the reverse split, the Company's registered share capital is NOK 100,672,1140, divided into 20,134,428 shares, each with a par value of NOK 5.

32. OIL AND GAS RESERVES (UNAUDITED)

The reserves have been estimated and classified according to the "Petroleum Resources Management System", developed and approved in March 2007 jointly by the Society of Petroleum Engineers, World Petroleum Council, American Society of Petroleum Geologists and Society of Petroleum Evaluations Engineers, hereafter referred to as the "2007 PRMS".

Reserves

As of 31 December 2023

	Cross Operated (100%)			Net Equity after Royalty		
Colombia	Oil	Gas	Total	Oil	Gas	Total
1P	[MMbbl]	[Bscf]	[MMboe]	[MMbbl]	[Bscf]	[MMboe]
1P Reveloped Producing Reerves - PDP	0.506	1.191	0.718	0.323	0.757	0.458
1P Developed Non-Producing Reserves - PDNP	0.078	0.656	0.195	0.048	0.417	0.122
1P Non Develped Reserves - PND	-	-	-	-	-	-
Total Proven Reserves - 1P	0.584	1.846	0.913	0.371	0.209	0.580
Total Proven & Probable Rerserves - 2P	0.653	2.037	1.016	0.417	0.231	0.648

As of 31 December 2022

	Cross Operated (100%)			Net Equity after Royalty		
Colombia	Oil	Gas	Total	Oil	Gas	Total
1P	[MMbbl]	[Bscf]	[Mmboe]	[MMbbl]	[Bscf]	[Mmboe]
1P Reveloped Producing Reerves - PDP	0.560	2.763	1.053	0.366	1.934	0.711
1P Developed Non-Producing Reserves - PDNP	0.047	0.124	0.069	0.030	0.087	0.046
1P Non Develped Reserves - PND	0.050	-	0.050	0.039	-	0.039
Total Proven Reserves - 1P	0.657	2.887	1.172	0.435	2.021	0.795
Total Proven & Probable Rerserves - 2P	0.870	3.313	1.461	0.585	2.319	0.998

As of 31 December 2023

	Cross Operated (100%)			Net Equity after Royalty		
Argentina	Oil	Gas	Total	Oil	Gas	Total
1P	[MMbbl]	[Bscf]	[MMboe]	[MMbbl]	[Bscf]	[MMboe]
1P Developed Producing Reserves - PDP	0.199	6.739	1.400	0.311	2.919	0.831
1P Developed Non-Producing Reserves - PDNP	0.431	0.384	0.499	0.047	0.157	0.075
1P Non Develped Reserves - PND	-	-	-	-	-	-
Total Proven Reserves - 1P	0.630	7.123	1.899	0.358	3.076	0.906
Total Proven & Probable Rerserves - 2P	0.914	7.545	2.259	0.636	3.258	1.544

As of 31 December 2022

	Cross Operated (100%)			Net Equity after Royalty		
Argentina	Oil	Gas	Total	Oil	Gas	Total
1P	[MMbbl]	[Bscf]	[Mmboe]	[MMbbl]	[Bscf]	[Mmboe]
1P Reveloped Producing Reerves - PDP	0.211	6.540	1.377	0.015	0.470	0.099
1P Developed Non-Producing Reserves - PDNP	0.045	1.520	0.316	0.003	0.110	0.023
1P Non Develped Reserves - PND	-	-	-	-	-	-
Total Proven Reserves - 1P	0.256	8.060	1.693	0.018	0.580	0.121
Total Proven & Probable Rerserves - 2P	0.987	12.924	3.291	0.515	3.061	1.061

For a full description of the "2007 PRMS", please refer to the Society of Petroleum Engineers website: www.spe.org

Notes

Mmboe = million stock tank barrels of oil equivalent
Working Interest varies per concession; reported percentages are averages
Gas converted to oil equivalent based on 5610 scf equals 1 boe
Numbers may not add up due to rounding

Production for the period

	2023	2022
Production		
Working interest, oil (bbl)	161.149	179.458
Working interest, gas (boe)	256.926	145.159
Working interest, royalty (boe)	- 54.127	- 29.654
	363.948	294.963

INTEROIL EXPLORATION AND PRODUCTION ASA
FINANCIAL STATEMENTS

31 DECEMBER 2023

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	Notes	2023	2022
Sales	4	491	852
Gross Profit		**491**	**852**
Administrative expense	5	-520	-692
Result from Operating Activities		**-29**	**160**
Finance income	6	1.519	1.361
Finance costs	6	-2.308	-2.483
Net Finance (expense)/Income		**-789**	**-1.122**
(Loss)/Profit before Income Tax		**-818**	**-962**
Income tax expense		-	-
(Loss)/Profit for the year		**-818**	**-962**

STATEMENT OF FINANCIAL POSITION

Amounts in USD 000 As of 31 December	Notes	2023	2022
Assets			
Non-Current Assets			
Licenses		1.587	-
Investments in subsidiaries	7	25.484	25.285
Other non-current assets	8	-	744
Intercompany receivables	9-10	4.610	2.481
Total Non-Current Assets		**31.681**	**28.510**
Current Assets			
Trade and other receivables	8	755	-
Cash and cash equivalents, restricted	11	4	1.911
Cash and cash equivalents, non restricted	11	139	383
Total Current Assets		**898**	**2.294**
Total Assets		**32.579**	**30.804**
Equity			
Share capital and share premium	12	166.119	165.603
Other paid-in equity		5.883	5.883
Retained earnings		-167.442	-166.624
Total Equity		**4.560**	**4.862**
Liabilities			
Non-Current Liabilities			
Borrowings	13-10	24.860	23.720
Total Non-Current Liabilities		**24.860**	**23.720**
Current Liabilities			
Trade and other payables	3	2.759	1.822
Provisions		400	400
Total Current Liabilities		**3.159**	**2.222**
total Liabilities		**28.019**	**25.942**
Total Equity and Liabilities		**32.579**	**30.804**

May 8th, 2024
The Board of Interoil Exploration and Production ASA.

Hugo Quevedo	Nicolas Acuña	Leandro Carbone
Chairman	*Board Member*	*General Manager*
(signed)	*(signed)*	*(signed)*

Isabel Valado Ramudo	German Ranftl	Laura Marmol	Carmela Saccomanno
Board Member	*Board Member*	*Board Member*	*Board Member*
(signed)	*(signed)*	*(signed)*	*(signed)*

STATEMENT OF CHANGES IN EQUITY

Amounts in USD 000	Notes	Sharecapital and share premium	Other paid-in equity	Retained earnings	Total equity
Balance at December 2021		163.684	5.882	-165.662	3.904
Capital increase		1.918			1.918
Loss of the year				-962	-962
Balance at December 2022		165.602	5.882	-166.624	4.860
Capital increase	12	516			516
Loss of the year				-818	-818
Balance at December 2023		166.118	5.882	-167.442	4.558

Other paid-in equity – consist of subscription rights in addition to the difference between the fair value and the book value of the converted shares in the bond conversion.

CASH FLOW STATEMENT

Amounts in USD 000			
For the year ended 31 December	Notes	2023	2022
Cash generated from operations			
(Loss)/Profit for the year		**-818**	**-962**
Interest income	6	-31	-24
Other finance cost/(income)	6	-1.488	-1.337
Interest expense and amortization	6	2.308	2.569
Changes in net working capital			
Intercompany accounts		-2.129	-534
Trade and other receivables		755	8
Trade and other payables		1.388	-500
Net cash used in operating activities		**-15**	**-780**
Cashflow from investing activities			
Net movement in restricted cash and other non-current		-	2
Investment in subsidiaries & assets		-1.042	0
Net cash generated from activities		**-1.042**	**2**
Cashflow from financing activities			
Interest paid		-1.090	-1.956
Capital increase		-	1.918
Net cash generated from financing activities		**-1.090**	**-38**
Net decrease in cash and cash equivalents		-2.147	-816
Non restricted cash and cash equivalents at the beginning of the y		2.290	3.106
Non restricted cash and cash equivalents at the end of the year		**143**	**2.290**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements for Interoil Exploration and Production ASA (the "Company") are prepared in accordance with simplified IFRS according to the Norwegian Act relating to Annual Accounts § 3-9. This mainly implies that recognition and measurements in the financial statements are in accordance with IFRS, while the notes disclosures are presented in accordance with the Norwegian Accounting Act. The Company's accounting policies are specified in Group note 2 (consolidated financial statements).

These financial statements are presented in USD, which is the Company's functional currency, and rounded up to thousands (1 000).

Shares in subsidiaries are recorded in accordance with the cost method in the parent company accounts. The investments are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2. GOING CONCERN

See Note 4 in the Group's financial statements.

3. FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. See Group note 3 for more information regarding Financial Risk Management.

The table below sum up the maturity profile of the Company's financial liabilities at 31 December based on contractual undiscounted payments.

For the year ended 31 December 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings including interest	-	-	23.877	23.877
Trade and other payables	3.164	-	-	3.164

For the year ended 31 December 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Borrowings including interest	-	-	23.720	23.720
Trade and other payables	1.822	-	-	1.822

As the amounts included in the above table are the contractual undiscounted cash flows, these amounts will not reconcile to the amounts disclosed on the statement of financial position for borrowings which is recorded at amortized cost. The specific time buckets presented are not mandated by the standard but are based on choice by management.

4. SALES

Sales correspond to management fees charged to operating companies.

5. ADMINISTRATIVE EXPENSES

For the year ended 31 December Amounts in USD 000	2023	2022
Employee benefit expenses	60	102
Professional fees	314	365
General administration expenses	146	225
Total Administrative Expenses	**520**	**692**

6. FINANCE INCOME AND COST

For the year ended 31 December Amounts in USD 000	2023	2022
Interest income, intercompany loan	1.470	24
Exchange rate gain, unrealized items	18	-
Other financial income	31	1.337
Total Financial Income	**1.519**	**1.361**
Interest expenses	2.230	2.063
Exchange rate loss, unrealized items	40	379
Other financial expenses	38	41
Total Financial Expenses	**2.308**	**2.483**
Net Finance (expense)/Income	**-789**	**-1.122**

7. SUBSIDIARIES

Period ended 31 December 2023

Amounts in USD 1 000	Registered business address	Interest andvoting rightsheld	Company's share capital in1000	Company's equity inUSD 1 000	Company's profit/ (loss)in USD1000	Book value 2 023
Interoil Peru Holding AS	Norway	1	NOK 100	-11	-7	21
Up Colombia Holding AS	Norway	1	NOK 900	20 401	-770	25 257
Interoil Argentia AS	Norway	1	NOK 30	-16	-8	3
Interoil Drilling Services AS	Norway	1	NOK 30	-14	-7	4
Echo Energy PLC	Storbritannia					199
Total book value				**20 360**	**-792**	**25 484**

Shares invested in UP Colombia Holding AS have been pledged as security for the interest-bearing borrowings, see note 13 and Group note 26; no impairment charges were recognized.

8. OTHER NON-CURRENT ASSETS

Other non-current assets include a receivable against Artic Securities and Magnus Capital (prepaid costs Arctic Securities and Bond Call Option Magnus Capital).

9. INTERCOMPANY RECEIVABLES

Non-current intercompany receivables

Period ended 31 December Amounts in USD 000	2023	2022
UP Colombia Holding AS	2.190	-
Interoil Perú Holding AS	13	-
Interoil Drilling Services AS	12	-
Interoil Argentina AS	13	-
Interoil Exploration and Production Latin America AS	2.382	2.481
Non-Current Intercompany Receivables	**4.610**	**2.481**

10. FINANCIAL INSTRUMENTS

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.
The bond loan is included in level 2, the rest of assets and liabilities are included in level 3.

During the reporting period there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers in and out of Level 3 fair value measurements.

The carrying number of intercompany receivables, trade and other receivables approximate their fair value.
The carrying amount of trade and other payable is considered to approximate their fair value.
The carrying amount of the current interest-bearing liabilities approximates the fair value.
The fair value of the other non-current interest-bearing liabilities equals their carrying amount.
The fair value of the bond loan has been calculated using the discounted cash flow method. The cost of capital is set to the interest rate for a similar bond with similar security in the market.

11. CASH AND CASH EQUIVALENTS

Period ended 31 December 2022 Amounts in USD 000	2023	2022
Bank deposits denominated in USD	113	368
Bank deposits denominated in NOK	30	1.926
Total cash and cash equivalents	**143**	**2.294**
Bank deposits classified as restricted	4	1.911
Non restricted cash	139	383

The restricted bank deposits are mostly placed as collateral for rent and withheld employee taxes.

12. PAID IN CAPITAL

Total number of issued and authorized shares amounts to 20,134,428 shares. For specifications of capital movements see Group note 24.

13. BORROWINGS

The maturity of the Company's borrowings (including interest) is as follows:

Amounts in USD 000	2023	2022
Between 2 and 5 years	24.843	23.720
Total Borrowings	**24.843**	**23.720**

Bond loan USD 32 million / USD 24.3 million

The Group issued a Senior Secured bond loan on 22 January 2015. On December 30th 2019, the bondholder's approved the proposal for debt to equity conversion and maturity extension. As a result, maturity has been extended until January 2026 and 35% of the outstanding bonds were converted into equity. The bond loan shall be repaid at the final maturity date at 100 % of par value, plus accrued and unpaid interest. The issuer may redeem the bonds in whole or in part at 105 % of face value plus accrued unpaid interest on the redeemed amount. The bonds have a nominal value of USD 1, and carry a fixed rate interest of 8.50 % payable semi-annually in arrears.

14. SUBSEQUENT EVENTS

Reference is made to Note 31 to the Group's financial statements.

CONTACT

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To the General Meeting of Interoil Exploration and Production ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Interoil Exploration and Production ASA, which comprise:

- the financial statements of the parent company Interoil Exploration and Production ASA (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Interoil Exploration and Production ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 9 years from the election by the general meeting of the shareholders on 29 October 2015 for the accounting year 2015.

Other Matters

The Company's financial statements have been submitted after the statutory time limit for preparation of financial statements according to the Securities Trading Act (verdipapirhandelloven) section 5-5.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Company's and the Group's business activities have remained largely unchanged during 2023. *Valuation of Oil & Gas Properties* has approximately the same risks and characteristics as last year and continues to be in our focus.

Key Audit Matters	How our audit addressed the Key Audit Matter
Valuation of Oil & Gas Properties	
The value of the Group's Oil & Gas properties is material to the financial statements and constitute the major part of the carrying value of property plant and equipment of USD 28 571 thousand on 31 December 2023. Impairment testing of the assets is performed when impairment indicators are identified. Based on identified impairment indicators, an impairment test of the Group's oil & gas properties was performed. Impairment testing requires exercise of management judgement, especially related to estimating future cash flows and determining an appropriate discount rate for a value-in-use calculation. Management considered each license area to be a cash generating unit in their assessment of impairment indicators. As such, management assessed and compared the sum of the discounted future cash flows that each license area is expected to generate to the corresponding carrying amounts, and concluded that the recoverable amount was higher than the carrying value for all areas. Consequently, no impairment charge was recognised in 2023. We focused on this area due to the significant carrying value of the Oil & Gas properties and the inherent risks related to exercise of management judgement in the impairment review. Management explains their impairment process and assumptions in note 16 to the consolidated financial statements.	We obtained an understanding of management's process for conducting impairment reviews and assessed whether relevant internal control activities had been implemented. Furthermore, we obtained and challenged management's impairment review and tested management's calculations for mathematical accuracy. Our procedures included the following: • We assessed management's accounting policy against the IFRS Accounting Standards and obtained explanations from management as to how the specific requirements of the standards, in particular ISA 36, were met. We also assessed if the accounting policy was consistently applied compared to prior years. • We assessed management's judgement in determination of cash generating units. • We assessed the significant assumptions applied by management when estimating expected future cash flows. This included tracing input data to external reports and considering whether key assumptions, such as future oil price and reserves, were consistent with historical performance, expected market prices and our knowledge of the industry. Furthermore, we evaluated the discount rate used by management by comparing its composition to empirical data for future interest rates, relevant risk premium and debt ratio. We also performed a sensitivity analysis on the assumptions made by management, using various scenarios. From the evidence obtained we found the assumptions and methodology applied by management to be appropriate. We identified no material errors during our procedures. We read note 16 and assessed the disclosures provided to be adequate.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility, and to the report on payments to governments.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Interoil Exploration and Production ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Interoil-Exploration-and-Production-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF

Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Stavanger, 08 May 2024
PricewaterhouseCoopers AS

Roy Henrik Heggelund
State Authorised Public Accountant