



## Report for the Fourth quarter of 2020

### Interoil Exploration and Production ASA

c/o Advokatfirmaet Schjødt AS

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<b>Key figures</b>	<b>Q3 2019</b>	<b>Q4 2019*</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>
Gross production oil/gas (boe)	127 203	74 102	119 852	38 974	116 159	119 622
Production oil/gas (average boepd)	1 382	805	1 317	484	1 263	1301
Oil/gas sold (boe)	95 920	84 596	87 664	26 478	89 557	87 912
Oil price average (usd/bbl)	60.2	59.3	49.6	26.7	41.5	45.8
Revenues (USDm)**	4.6	4.0	3.5	0.6	2.6	2.7
EBITDA adjusted (USDm)***	2.1	0.9	0.9	-0.6	0.2	0.6
Operating profit (USDm)	-0.8	-3.5	-1.6	-1.5	-0.7	-2.5
Exploration expenses (USDm)	-0.1	-2.4	-0.2	-0.1	-0.1	-0.1
Net loss/profit (USDm)	-1.4	-5.9	-0.9	-2.5	-2.5	-4.7
Cash and cash equivalents (USDm)	7.1	5.2	5.3	4.5	3.6	3.7

\* Some figures in to Q4, 2019 have been adjusted based on yearend final numbers:: adjustments to amortization and impairment calculation as a results in the statements of reserves and the restatement of 2019 PL figures.

\*\* Revenues related to Q3, 2019 differ from the figures presented in the Q4, 2019 report due to year end reclassifications.

\*\*\* Exploration expenses and nonrecurring items (Extraordinary legal fees) were excluded.

## Highlights in the quarter

- Oil and gas markets continue being affected by COVID-19. Oil and gas prices have shown some recovery in Q4 2020, but uncertainty remains high. Despite this challenging context, Interoil managed to re-open production to nearly pre-pandemic levels while navigating challenging logistics.
- Gross production increased by 3% in Q4 2020 compared with Q3 2020 and 61% compared with the same period of last year.
- Interoil's EBITDA in Q4 2020 was positive USD 0.6 million, compared with a USD 0.2 in Q3 2020 and positive USD 0.9 in Q4 2019. Variation is related to a lower production, due to the slowly recovery in the reopening of wells in Mana in the Q4 2020 after the sudden shutdown on production due to COVID-19.
- The Vikingo field in Colombia suffered a minor spill on October 30th, following the rupture of an inlet surface pump hose. The rupture was fixed, and remediation work is close to completion. Relevant authorities have been notified.
- In Colombia, the company has started preparations for drilling of one commitment well on the Altair license. Furthermore, farm-out negotiations are ongoing in license LLA-47 to support the financing of the drilling programme.
- Interoil has continued its diligent and disciplined approach in its operations and in the management of its financial resources, reflecting the uncertainty in the market and the strains of the pandemic.

### Subsequent event

- Since end of December, several wells at Puli C have been shut in due to mechanical failure of equipment, reducing daily output with around 90 barrels of oil (bopd) and 220 barrels of oil equivalents per day (boepd) of gas. The company is preparing to mobilize the necessary equipment to bring these wells back on stream by Q2 2021.

## Portfolio overview

Interoil is an independent oil and gas exploration and production company, currently operating in Colombia and Argentina and headquartered in Oslo. Interoil is involved in the acquisition, exploration, development and operation of onshore oil and natural gas assets. Interoil is an operator and an active license partner in several production and exploration assets in Colombia and Argentina.

At the end of Q4 2020, Interoil's portfolio consists of two producing licenses and two exploration licenses in Colombia and one exploration concession and seven production concessions in Argentina.

The company has targeted organic and inorganic growth opportunities to fuel the growth of its portfolio in recent years and will maintain this approach going forward.

## Colombia

### Colombia – Industry overview

With 2 bn bbls of oil reserves and a production which nears 750 000 bopd, Colombia is South America's third-largest oil producer after Brazil and Venezuela and is ranked as the 22nd largest oil producer in the world.

Exploration licenses in Colombia are awarded through open bid rounds where interested parties bid based on a combination of investment commitments and royalty rates.

### Colombia - operations

In Colombia Interoil holds a 100 % working interest in the Llanos LLA-47 exploration block covering an area of 447 km<sup>2</sup>, and a 90 % interest in Altair with 80 km<sup>2</sup> acreage. At present, Interoil is committed to drill nine more exploration wells in LLA-47 by 7<sup>th</sup> February 2022 and one more in Altair by 27<sup>th</sup> April 2021.

The company has started preparations for drilling of one commitment well on the Altair license. Furthermore, farm-out negotiations are ongoing in license LLA-47 to support the acceleration of the drilling programme

The Vikingo field suffered a minor spill on 30<sup>th</sup> October 2020 following the rupture of an inlet surface pump hose. The rupture was fixed, and remediation work is close to completion. Relevant authorities have been notified.

Production from Puli C fields have reached pre-pandemic steady flows and producing wells were all on stream by November. Since the second half of December, a series of downhole mechanical failures raised in some producers' wells, especially in Mana Field, affecting oil and gas production by around 220 boepd (of which 90 bopd represents oil) by year end. The Company has immediately taken action and management is working in a well repairing campaign expected to start in the second half of March and last for a six-eight weeks aimed at recovering Puli C full output production.

## Argentina

### Argentina – Industry overview

The hydrocarbon law 17.319 established that the hydrocarbon resources are owned by the provinces. Concessions are managed by the different provinces where the areas are located and while there are local differences, the basic terms of each concession are substantially the same. Non-exploited blocks are put on tender by the respective provinces, offering five-year period contracts for exploration and 25-year period contracts for conventional exploitation following a commerciality declaration. Exploitation contracts for unconventional resources are offered for a 35-year period.

### Argentina -operations

Interoil made a significant expansion of its activities and entered into the important and dynamic Argentinian market in 2019.

The Mata Magallanes Oeste (MMO) and Cañadón Ramírez CR) licenses cover nearly 380 km<sup>2</sup> in the western part of the highly productive Golfo San Jorge Basin in the southern part of Argentina. Interoil will become the operator once approved by local authorities and holds an 80 % working interest in these licenses.

The La Brea concession covers 112 km<sup>2</sup> the Jujuy Province in the Northern Argentina. Interoil will also become the operator of this license, holding an 80 % working interest.

The Santa Cruz (SC) concessions are located onshore in the heart of the Austral Basin in southern Argentina. This is a highly prolific area with well-developed oil and gas infrastructure. Altogether the concession covers an area of more than half a million acres, of which over 50,000 acres are considered exploitation areas with contract periods running through April 2026.

The company has been reviewing field lifting costs and products marketing strategies for all operations but with a special emphasis in SC and MMO. These two operations are placed in a wide and remote region where logistic plays a significant role in optimizing daily operating expenses whilst increasing fields netback oil & gas prices and securing available open access infrastructure aimed at having a sound operation.

### P&L comments

Interoil's total working interest production before royalties of oil and gas in Colombia and Argentina combined, was 91.134 boe in Q4 2020 compared to 75.264 boe in Q3 2020 (See note 10).

Quarterly revenues maintain stable in USD 2.7 million in Q4, 2020 and USD 2.6 million in Q3 2020.

Q4 2020 operating result including exploration costs expenses was USD -2.5 million compared with USD -0.7 in the previous quarter, this variance was mainly caused by an adjustment in amortization during Q4.

Loss before income tax was USD 4.5 million compared with a USD 2.0 million loss in Q3, 2020.

Total comprehensive loss for Q4 2020 amounted to USD 4.7 million higher than a USD 2.5 loss in Q3.

Due to high volatility of the oil prices and the short-term changes of the forward curves, the company performed an impairment test at the date of this quarterly financials and the conclusion is that at current values the projected prices were in excess of InterOil's break even oil prices, so no impairment was determined, see details in Note 7.

InterOil notes that the geochemical study on LLA-47 field was capitalised on the basis that LLA-47 field had proven reserves and one producing well. However, upon further inspection it was concluded that it was incorrect to capitalise geochemical study for the following reasons:

The licence area is a predominately an exploration field.

Vikingo-1 was drilled as an exploration well. The P1/P2 reserves associated with the licence area relate to this one well only.

The proven reserves and the producing well in LLA-47 are therefore incidental to the wider exploration area and it is therefore concluded that the geochemical study expenditure of USD 2 million should have been treated as exploration expenditure and expensed as incurred and not capitalised, thus the 2019 figures are restated to reflect this change

During the current quarter the company received an update regarding the Colombian tax authority "DIAN" audit of 2011 income tax. The opinion of the external legal advisor changed from highly probable chances that InterOil will win its appeal to less than 50% chances in relation of one of the payments demands that DIAN issued. Following this potential exposure, a provision of 100% of the corresponding tax was included in the financials for a total amount of USD 0.4 Million

### Balance Sheet and Equity

InterOil held USD 3.8 million in cash at the end of the quarter, of which USD 3.0 million was restricted. The restricted cash relates primarily to cash collateral for guarantees and loans.

As of 30 December 2020, book equity for the consolidated Group was negative USD 3.1 million.

Of InterOil's non-current liabilities of USD 29.8 million, USD 4.7 million relates to provisions and retirement benefit obligations and USD 25.2 million relates to long term borrowings including bond loan of USD 23.2 million.

Current liabilities of USD 8.5 million are mainly comprised by trade and other payables/provisions of USD 5.6 million, short term borrowings (including current part of the bond loan) of USD 1.1 million and provisions for 0.9.

In addition to the interest-bearing debt outlined above, InterOil also has off-balance sheet commitments relating to required work programs on its exploration licenses (see Annual Report 2019), that are guaranteed with bank standby letters of credit and a surety insurance. InterOil complies with the ANH guarantee requirements.

### Cash flow

At the end of Q3 2020 accumulated cash outflow from operations was USD 1.5, financing cash outflow was USD 1.1 million and cash outflow from investing activities was USD 1.6 million.

Financial cash flow related to interest payments of USD 1 million and repayment of loans of USD 0.1 million.

The Group had a net cash outflow of USD 1.1 million during at the end of Q3 2020.

### Outlook

InterOil's team has worked diligently in a quarter still deeply affected by the ongoing COVID-19 pandemic. In the face of extreme uncertainty, management has taken timely measures to navigate the situation.

Short term measures included a rightsizing of the structure in Colombia, tight control of outflows of cash, active negotiations with existing providers in order to generate a sustainable working capital under current conditions and searching for partnerships which can deliver growth and financial flexibility.

## Consolidated interim statement of comprehensive income

Amounts in USD 1 000	Note	For the 3 months period ended 31 December 2020	For the 3 months period ended 31 December 2019	For the 3 months period ended 30 September 2020	For the 12 months period ended 31 December 2020	For the 12 months period ended 31 December 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales	4	2.712	3.977	2.606	9.404	17.072
Cost of goods sold ex depreciation	5	-1.587	-2.415	-1.992	-6.387	-7.511
Depreciation	5	-2.973	-564	-736	-6.711	-7.595
<b>Gross profit</b>		<b>-1.848</b>	<b>998</b>	<b>-122</b>	<b>-3.694</b>	<b>1.966</b>
Exploration cost expensed		-90	-2.399	-147	-584	-2.964
Administrative expense		-606	-762	-481	-2.335	-3.567
Other (expense)/income		64	-1.329	47	365	-1.045
<b>Result from operating activities</b>		<b>-2.480</b>	<b>-3.492</b>	<b>-703</b>	<b>-6.248</b>	<b>-5.610</b>
Finance income	6	56	264	674	3.233	1.391
Finance cost	6	-2.120	-1.897	-1.999	-7.287	-5.206
<b>Finance expense – net</b>		<b>-2.064</b>	<b>-1.633</b>	<b>-1.325</b>	<b>-4.054</b>	<b>-3.815</b>
<b>Loss before income tax</b>		<b>-4.544</b>	<b>-5.125</b>	<b>-2.028</b>	<b>-10.302</b>	<b>-9.425</b>
Income tax (expense)/credit	9	-204	-775	-489	-315	-216
<b>Loss profit from continuing operations</b>		<b>-4.748</b>	<b>-5.900</b>	<b>-2.517</b>	<b>-10.617</b>	<b>-9.641</b>
Other comprehensive loss		-	-	-	-	-
<b>Total comprehensive loss for the period, net of tax</b>		<b>-4.748</b>	<b>-5.900</b>	<b>-2.517</b>	<b>-10.617</b>	<b>-9.641</b>
<b>Attributable to:</b>						
Equity holders of the parent		<b>-4.748</b>	<b>-5.900</b>	<b>-2.517</b>	<b>-10.617</b>	<b>-9.641</b>
<b>(Loss)/profit per share (expressed in USD)</b>						
– basic and diluted – total		-0,03	-0,06	-0,02	-0,07	-0,10
– basic and diluted – continuing operations		-0,03	-0,06	-0,02	-0,07	-0,10

The notes 1 to 10 are an integral part of this condensed consolidated financial statements.



## Consolidated interim statement of financial positions

Amounts in USD 1 000	Note	As of 31 December, 2020	As of 31 December, 2019
		(Unaudited)	(Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	27.894	32.628
Other non-current assets		1.617	1.764
<b>Total non-current assets</b>		<b>29.511</b>	<b>34.392</b>
<b>Current assets</b>			
Inventories		465	847
Trade and other receivables		1.508	1.231
Cash and cash equivalents, restricted		3.064	3.043
Cash and cash equivalents, non-restricted		721	1.767
<b>Total current assets</b>		<b>5.758</b>	<b>6.888</b>
<b>TOTAL ASSETS</b>		<b>35.269</b>	<b>41.280</b>
<b>EQUITY</b>			
Share capital and share premium		160.145	142.095
Other paid-in equity		4.744	4.744
Retained earnings		-167.963	-157.346
<b>Total equity</b>		<b>-3.074</b>	<b>-10.507</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	8	25.218	39.042
Deferred tax liabilities		-118	870
Retirement benefit obligations		762	677
Provisions for other liabilities and charges		3.938	2.754
<b>Total non-current liabilities</b>		<b>29.800</b>	<b>43.343</b>
<b>Current liabilities</b>			
Trade and other payables		5.645	5.756
Income taxes payable		833	-72
Current interest-bearing liabilities	8	1.147	1.997
Provisions for other liabilities and charges		918	763
<b>Total current liabilities</b>		<b>8.543</b>	<b>8.444</b>
<b>TOTAL LIABILITIES</b>		<b>38.341</b>	<b>51.787</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35.269</b>	<b>41.280</b>

The notes 1 to 10 are an integral part of this condensed consolidated financial statements.

## Consolidated interim statement of changes in equity

As of 31 December 2020

Amounts in USD 1 000	Share capital and share premium	Other paid-in equity	Retained earnings	Total equity
<b>Balance on 31 December 2018</b>	<b>129,135</b>	<b>4,744</b>	<b>-147,705</b>	<b>-13,826</b>
				(Audited)
Total comprehensive loss for the period	-	-	-9,641	-9,641
Capital increase	12,960	-	-	12,960
<b>Balance on 31 December 2019</b>	<b>142,095</b>	<b>4,744</b>	<b>-157,346</b>	<b>-10,507</b>
				(Unaudited)
Total comprehensive loss for the period	-	-	-10,617	-10,617
Capital increase	18,050	-	-	18,050
<b>Balance on 31 December 2020</b>	<b>160,145</b>	<b>4,744</b>	<b>-167,963</b>	<b>-3,074</b>

The notes 1 to 10 are an integral part of this condensed consolidated financial statements.

## Consolidated interim cash flow statement

Amounts in USD 1 000	Note	For the 12 months period ended 31 December 2020 (Unaudited)	For the 12 months period ended 31 December 2019 (Audited)
<b>Cash generated from operations</b>			
Comprehensive loss for the period – continuing operations		-10.617	-9.641
<b>Total comprehensive loss of the period</b>		<b>-10.617</b>	<b>-9.641</b>
Depreciation, amortization and impairment		6.387	7.805
Interest income	6	-18	-21
Interest expense	6	2.779	3.109
Other net financial expense		1.293	730
Impairment loss on PP&E		-	1.547
<b>Changes in assets &amp; liabilities</b>			
Inventories		-382	-241
Trade and other receivables		277	790
Trade and other payables / provision and other liabilities		-1.305	51
<b>Net cash generated from operating activities</b>		<b>-1.586</b>	<b>4.129</b>
<b>Cash flows from investing activities</b>			
Net increase of PP&E		1.653	-2.786
<b>Net cash used in investing activities</b>		<b>1.653</b>	<b>-2.786</b>
<b>Cash flows from financing activities</b>			
Interest paid		-916	-2.044
Repayment of borrowings		-71	-346
Increase in non-current assets		-147	174
Changes in restricted cash classification		21	-1.014
<b>Net cash used in financing activities</b>		<b>-1.113</b>	<b>-3.230</b>
<b>Net change in cash and cash equivalents</b>		<b>-1.046</b>	<b>-1.887</b>
Non restricted cash and cash equivalents at beginning of the period		1.767	3.654
<b>Non restricted cash and cash equivalents at end of the period</b>		<b>721</b>	<b>1.767</b>

The notes 1 to 10 are an integral part of this condensed consolidated financial statements.



## Note 1. Corporate information

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

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

The condensed consolidated interim financial information for the period ended 31 December 2020 included the company and its subsidiaries. This condensed consolidated interim financial information has been authorised for issue by the Board of Directors on February 22<sup>nd</sup>, 2021.

## Note 2. Accounting policies

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

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

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

The condensed interim financial information is unaudited.

### Note 3. Segment information

For the 3 months period ended 31 December 2020 (Unaudited)

#### Comprehensive Income

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group (continuing business)
Total revenue	2.486	226	101	-101	2.712
Cost of goods sold ex depreciation	-1.264	-323	-	-	-1.587
Depreciation	-2.973	-	-	-	-2.973
<b>Gross profit</b>	<b>-1.751</b>	<b>-97</b>	<b>101</b>	<b>-101</b>	<b>-1.848</b>
Exploration cost expensed	-90	-	-	-	-90
Administrative expense	-254	-	-144	-208	-606
Other income	64	-	-	-	64
<b>Result from operating activities</b>	<b>-2.031</b>	<b>-97</b>	<b>-43</b>	<b>-309</b>	<b>-2.480</b>
Finance income	41	-	537	-522	56
Finance costs	-2.610	-	-32	522	-2.120
<b>Loss before income tax</b>	<b>-4.600</b>	<b>-97</b>	<b>462</b>	<b>-309</b>	<b>-4.544</b>
Income tax expense	-204	-	-	-	-204
<b>Loss for the period</b>	<b>-4.804</b>	<b>-97</b>	<b>462</b>	<b>-309</b>	<b>-4.748</b>
Other comprehensive Income	-	-	-	-	-
<b>Total comprehensive income net of tax</b>	<b>-4.804</b>	<b>-97</b>	<b>462</b>	<b>-309</b>	<b>-4.748</b>

#### Financial Position\* (As of December 31, 2020)

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group (continuing business)
Property, plant and equipment	15.619	13.000	-	725	27.894
Interest-bearing liabilities	2.153	-	24.212	-	26.365

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

**For the 3 months period ended 31 December 2019** (Unaudited)

**Comprehensive Income**

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group (continuing business)
Total revenue	3.824	153	127	-127	3.977
Cost of goods sold ex depreciation	-2.287	-128	-	-	-2.415
Depreciation	-564	-	-	-	-564
<b>Gross profit</b>	<b>973</b>	<b>25</b>	<b>127</b>	<b>-127</b>	<b>998</b>
Exploration cost expensed	-2.399	-	-	-	-2.399
Administrative expense	-667	-137	-85	127	-762
Other income	-1.329	-	-	-	-1.329
<b>Result from operating activities</b>	<b>-3.422</b>	<b>-112</b>	<b>42</b>	<b>-</b>	<b>-3.492</b>
Finance income	262	-	515	-513	264
Finance costs	-1.301	-	-1.109	513	-1.897
<b>Loss before income tax</b>	<b>-4.461</b>	<b>-112</b>	<b>-552</b>	<b>-</b>	<b>-5.125</b>
Income tax expense	-775	-	-	-	-775
<b>Loss for the period</b>	<b>-5.236</b>	<b>-112</b>	<b>-552</b>	<b>-</b>	<b>-5.900</b>
Other comprehensive Income	-	-	-	-	-
<b>Total comprehensive income net of tax</b>	<b>-5.236</b>	<b>-112</b>	<b>-552</b>	<b>-</b>	<b>-5.900</b>

**Financial Position\* (As of December 31, 2019)**

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group (continuing business)
Property, plant and equipment	18,357	12,000	-	2.271	32,628
Interest-bearing liabilities	2.593	-	38,446	-	41,039

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

**For the 12 months period ended 31 December 2020** (Unaudited)

**Comprehensive Income**

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group (continuing business)
Total revenue	8.610	794	309	-309	9.404
Cost of goods sold ex depreciation	-4.623	-1.764	-	-	-6.387
Depreciation	-6.711	-	-	-	-6.711
<b>Gross profit</b>	<b>-2.724</b>	<b>-970</b>	<b>309</b>	<b>-309</b>	<b>-3.694</b>
Exploration cost expensed	-584	-	-	-	-584
Administrative expense	-1.794	-	-541	-	-2.335
Other income	365	-	-	-	365
<b>Result from operating activities</b>	<b>-4.737</b>	<b>-970</b>	<b>-232</b>	<b>-309</b>	<b>-6.248</b>
Finance income	2.927	-	2.396	-2.090	3.233
Finance costs	-5.297	-	-4.080	2.090	-7.287
<b>Loss before income tax</b>	<b>-7.107</b>	<b>-970</b>	<b>-1.916</b>	<b>-309</b>	<b>-10.302</b>
Income tax expense	-315	-	-	-	-315
<b>Loss for the period</b>	<b>-7.422</b>	<b>-970</b>	<b>-1.916</b>	<b>-309</b>	<b>-10.617</b>
Other comprehensive Income	-	-	-	-	-
<b>Total comprehensive income net of tax</b>	<b>-7.422</b>	<b>-970</b>	<b>-1.916</b>	<b>-309</b>	<b>-10.617</b>

For the 9 months period ended 31 December 2019 (Unaudited)

### Comprehensive Income

Amounts in USD 1 000	Colombia	Argentina	Norway	Unall. / Elimin.	Group (continuing business)
Total revenue	16.785	287	612	-612	17.072
Cost of goods sold ex depreciation	-7.243	-268	-	-	-7.511
Depreciation	-7.595	-	-	-	-7.595
<b>Gross profit</b>	<b>1.947</b>	<b>19</b>	<b>612</b>	<b>-612</b>	<b>1.966</b>
Exploration cost expensed	-2.964	-	-	-	-2.964
Administrative expense	-3.472	-137	-570	612	-3.567
Other income	-1.045	-	-	-	-1.045
<b>Result from operating activities</b>	<b>-5.534</b>	<b>-118</b>	<b>42</b>	<b>-</b>	<b>-5.610</b>
Finance income	1.381	-	2.135	-2.125	1.391
Finance costs	-2.981	-	-4.350	2.125	-5.206
<b>Loss before income tax</b>	<b>-7.134</b>	<b>-118</b>	<b>-2.173</b>	<b>-</b>	<b>-9.425</b>
Income tax expense	-216	-	-	-	-216
<b>Loss for the period</b>	<b>-7.350</b>	<b>-118</b>	<b>-2.173</b>	<b>-</b>	<b>-9.641</b>
Other comprehensive Income	-	-	-	-	-
<b>Total comprehensive income net of tax</b>	<b>-7.350</b>	<b>-118</b>	<b>-2.173</b>	<b>-</b>	<b>-9.641</b>

### Note 4. Sales and royalty

Amounts in USD 1 000	For the 3 months period ended 31 December 2020	For the 3 months period ended 31 December 2019	For the 3 months period ended 30 September 2020	For the 12 months period ended 31 December 2020	For the 12 months period ended 31 December 2019
<b>Sale of oil</b>					
Sale of oil – before royalty	2.330	2.871	2.127	7.418	13.144
Royalty	-152	-197	-123	-456	-830
Sale of oil – net	<b>2.178</b>	<b>2.674</b>	<b>2.004</b>	<b>6.962</b>	<b>12.314</b>
Sale of gas	533	800	602	2.116	2.757
Sale of services	1	503	0	326	2.001
<b>Total sales</b>	<b>2.712</b>	<b>3.977</b>	<b>2.606</b>	<b>9.404</b>	<b>17.072</b>

### Note 5. Cost of goods sold

Amounts in USD 1 000	For the 3 months period ended 31 December 2020	For the 3 months period ended 31 December 2019	For the 3 months period ended 30 September 2020	For the 12 months period ended 31 December 2020	For the 12 months period ended 31 December 2019
<b>Cost of goods sold</b>					
Lifting costs *	1.244	2.120	1.577	4.996	5.941
Changes in inventory	5	-343	106	388	-186
Other cost of goods sold	338	638	309	1.003	1.756
<b>Total cost of goods sold</b>	<b>1.587</b>	<b>2.415</b>	<b>1.992</b>	<b>6.387</b>	<b>7.511</b>
<b>Depreciation</b>	<b>2.973</b>	<b>564</b>	<b>736</b>	<b>6.711</b>	<b>7.595</b>

<b>* Lifting costs,</b>					
Field production costs	688	864	1.091	2.663	2.798
Tariffs and transportation	386	280	335	1.244	1.219
Insurance	25	22	34	110	99
Production costs consultants	10	-46	0	34	92
Well services and work overs	27	254	14	98	587
Repairs and maintenance	85	120	51	236	395
Other production costs	23	626	52	611	751
<b>Total lifting costs</b>	<b>1.244</b>	<b>2.120</b>	<b>1.577</b>	<b>4.996</b>	<b>5.941</b>

## Note 6. Finance income and cost

Amounts in USD 1 000	For the 3 months period ended 31 December 2020	For the 3 months period ended 31 December 2019	For the 3 months period ended 30 September 2020	For the 12 months period ended 31 December 2020	For the 12 months period ended 31 December 2019
Interest income	-5	13	10	18	21
Realized / unrealized exchange	61	251	653	2.951	1.370
Other financial income	0	0	11	264	0
<b>Total financial income</b>	<b>56</b>	<b>264</b>	<b>674</b>	<b>3.233</b>	<b>1.391</b>
Interest expenses	-312	767	1.405	2.779	3.109
Amortisation of debt issue cost	43	31	38	152	143
Realized / unrealized exchange	830	592	440	2.616	1.317
Other financial expenses	1.559	507	116	1.740	637
<b>Total financial expenses</b>	<b>2.120</b>	<b>1.897</b>	<b>1.999</b>	<b>7.287</b>	<b>5.206</b>
<b>Finance expenses – net</b>	<b>-2.064</b>	<b>-1.633</b>	<b>-1.325</b>	<b>-4.054</b>	<b>-3.815</b>

## Note 7. Property plant and equipment

Amounts in USD 1 000	Oil production Assets	Other pp&e	Total
As of 31 December 2019	28.197	4.431	32.628
Additions, net	1.872	105	1.977
Amortization	-6.026	-685	-6.711
<b>As of 30 September 2020</b>	<b>24.043</b>	<b>3.851</b>	<b>27.894</b>

### Impairment monitoring

Impairment will be evaluated and disclosed in year end financial statements once we receive the final reserves report as of December 31, 2020. For this report we do not have additional information to disclose in reference with what we present in our 3Q report.

## Note 8. Borrowings

Amounts in USD 1 000	As of 31 December 2020	As of 31 December 2019
<b>Non-current</b>		
Bond loan (2020 -2026 - 7.5%)	23.247	38.446
Other non-current interest bearing liabilities	1.971	596
<b>Total non-current interest bearing liabilities</b>	<b>25.218</b>	<b>39.042</b>
<b>Current</b>		
Interest bond loan (2020 -2026 - 7.5%)	965	-
Liabilities to financial institutions	182	1.997
<b>Total current interest bearing liabilities</b>	<b>1.147</b>	<b>1.997</b>
<b>Total interest bearing liabilities</b>	<b>26.365</b>	<b>41.039</b>

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

Amounts in USD 1000	As of 30 September 2020	As of 31 December 2019
0-12 months	1.147	2.016
Between 1 and 2 years	2.429	365
Between 2 and 5 years	5.648	224
Over 5 years	17.141	38.434
<b>Total borrowings</b>	<b>26.365</b>	<b>41.039</b>

**Bank loans USD 2,1 million**

The Colombian branch has short term facilities with Banco de Occidente. The loans are secured with a USD 1 million cash collateral. The facilities were extended and are due to expire in November 2020. The facilities bears local IBR interest + margin from 4 to 4,5%.

**Leasing USD 0,8 million**

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

**Bond loan**

The Group issued on 22 January 2015 a 5 year Senior Secured bond loan with a total amount of USD 32 million. On December 30th 2019, the bondholder's approved the proposal for debt to equity conversion and maturity extension. As a result, and after the shareholders approved the terms on January 16th, maturity has been extended 6 years until January 2026 while 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 coupon of of 7.50 % payable semi-annually in arrears.

**Bond renegotiation.**

In December 2019, InterOil announced plans to strengthen its balance sheet through a debt to equity conversion. The plan was approved by bond holders on 30 December and by shareholders in an extraordinary general meeting on 16 January 2020. The approval rate was above 90% in both meetings.

As part of this plan, 35 per cent of the bond loan outstanding principal amount plus its respective accrued interest were converted to equity, the maturity date for the remaining bonds were extended by six years to 2026 and interest rate fixed at 7.5%.

On 23 January 2020 the conversion of the bonds was settled by issuing 56,193,478 new shares. These shares were distributed pro rata to the bond holders..

USD 24.3 million

After the bond renegotiation, the total aggregate nominal amount is USD 24.333.020 outstanding. The maturity date for the remaining bonds were extended by six years to 2026 and interest rate fixed at 7.5 %.

Fair value

Bond fair value as of december 31, 2020, considering market contions was calculated to be USD 24.212.281

<b>Amounts in USD 1 000</b>	
Bond loan at renegotiated date, 16 January 2020	24.332
PIK Interest	847
Fair value adjustment	-967
<b>Balance at 31 December 2020</b>	<b>24.212</b>
Short term	965
Long term	23.247

## Note 9. Tax

<b>Amounts in USD 1 000</b>	<b>For the 3 months period ended 31 December 2020</b>	<b>For the 3 months period ended 31 December 2019</b>	<b>For the 3 months period ended 30 September 2020</b>	<b>For the 12 months period ended 31 December 2020</b>	<b>For the 12 months period ended 31 December 2019</b>
<b>Current income tax:</b>					
Current income tax charge	672	520	-659	45	675
<b>Deferred tax:</b>					
Relating to origination and reversal of temporary differences	-468	255	676	-202	-459
<b>Other:</b>					
Previous year's tax	0	0	472	472	0
<b>Income tax expense/(credit)</b>	<b>204</b>	<b>775</b>	<b>488</b>	<b>315</b>	<b>216</b>



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

	For the 3 months period ended 31 December 2020	For the 3 months period ended 31 December 2019	For the 3 months period ended 30 September 2020	For the 12 months period ended 31 December 2020	For the 12 months period ended 31 December 2019
<b>Production in barrels / (boe)</b>					
<b>Colombia</b>					
Working interest, barrels	48.705	51.529	42.022	152.476	205.697
Working interest, gas (boe)	27.801	40.690	31.210	110.505	140.266
Royalty	-5.675	-5.928	-5.360	-19.270	-22.403
<b>Total Colombia (net of royalty)</b>	<b>70.831</b>	<b>86.291</b>	<b>67.872</b>	<b>243.711</b>	<b>323.560</b>
<b>Argentina</b>					
Working interest, barrels	8.499	3.278	2.032	15.397	5.427
Working interest, gas (boe) **	6.129	0	13.081	25.339	0
<b>Total Argentina (net of royalty)</b>	<b>14.628</b>	<b>3.278</b>	<b>15.113</b>	<b>40.736</b>	<b>5.427</b>
<b>Total Interoil Production (net of royalty)</b>	<b>85.459</b>	<b>89.569</b>	<b>82.985</b>	<b>284.447</b>	<b>328.987</b>
<b>Sales in barrels / (boe)</b>					
<b>Colombia</b>					
Sale of oil, barrels net	45.516	33.238	40.201	145.897	158.160
Oil royalties sold	347	9.418	302	1.045	35.723
Sale of gas, (boe)	24.243	35.482	27.213	96.360	122.312
Gas royalties sold (boe)	1.779	2.604	1.998	7.072	8.977
<b>Total sale in barrels</b>	<b>71.885</b>	<b>80.742</b>	<b>69.714</b>	<b>250.374</b>	<b>325.172</b>
<b>Argentina</b>					
Sale of oil, barrels net	7.131	3.854	3.400	15.397	7.481
Sale of gas, (boe)	8.896	0	16.443	25.339	0
<b>Total sale in barrels</b>	<b>16.027</b>	<b>3.854</b>	<b>19.843</b>	<b>40.736</b>	<b>7.481</b>
<b>Total Interoil Sales</b>	<b>87.912</b>	<b>84.596</b>	<b>89.557</b>	<b>291.110</b>	<b>332.653</b>

\* (boe) Barrels of oil equivalent

\*\* Figures related to Q2 gas production in Argentina could differ from the figures presented in the Q2, 2020 report due to late production reports