National Prospectus

(Norwegian: Nasjonalt prospect)

Interoil Exploration and Production ASA

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

Share Issue of up to 23,076,923 new shares in Interoil Exploration and Production ASA at an Offer Price of NOK 1.3 per share and with an Application Period from 16 June 2022 at 09:00 (CEST) to 1 July 2022 at 16:30 (CEST)

Interoil Exploration and Production ASA ("**Interoil**" or the "**Company**", and together with its consolidated subsidiaries the "**Group**") is offering up to 23,076,923 new shares in the Company (the "**Offer Shares**") each with a nominal value of NOK 0.50 (the "**Offer Shares**") in connection with a share issue raising gross proceeds of up to NOK 30,000,000, directed towards (i) investors in Norway and (ii) other investors who are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration or similar action (the "**Share Issue**").

The application period for the Offer Shares (the "**Application Period**") commences on 16 June 2022 at 09:00 (CEST) and expires on 1 July 2022 at 16:30 (CEST). The subscription price per Offer Share is NOK 1.3 (the "**Offer Price**"). The number of Offer Shares to be issued will be determined based on the number of Offer Shares applied for during the Application period but will not exceed 23,076,923 Offer Shares.

The Offer Shares will when issued be registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form and are expected to be delivered to the applicant's VPS account on or about 15 July 2022. The Offer Shares will have equal rights and rank pari passu with the Company's other shares (the "**Shares**").

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

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

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

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

14 June 2022

IMPORTANT INFORMATION

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

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

The information contained herein is current as at the date of this Prospectus and is subject to change, completion and amendment without notice. In accordance with Section 7-10 of the Norwegian Securities Trading Act, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the securities and which arises or is noted between the time of registration of the Prospectus with the Norwegian Register of Business Enterprises and the end of the Subscription Period, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

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

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

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

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

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

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution"**). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in

conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**"). For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the senior management of the Company (the "**Management**") are not residents of the United States. Virtually all of the Company's assets and the assets of the Board Members and members of Management are located outside the United States. As a result, it may be impossible or difficult for investors in the United States to effect service of process upon the Company, the Board Members and members of Management in the United States or to enforce against the Company or those persons judgments obtained in U.S. courts, whether predicated upon civil liability provisions of the federal securities laws or other laws of the United States.

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or the Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

DATA PROTECTION

As data controller, the Manager processes personal data to deliver the products and services that are agreed between the parties and for other purposes, such as to comply with laws and other regulations, including the General Data Protection Regulation (EU) 2016/679 (the "**GDPR**") and the Norwegian Data Protection Act of 15 June 2018 No. 38. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. For detailed information on the Manager's processing of personal data, please review the Manager's privacy policy, which is available on its website or by contacting the Manager. The privacy policy contains information about the rights in connection with the processing of personal data, such as the access to information, rectification, data portability, etc. If the applicant is a corporate customer, such customer shall forward the Manager's privacy policy to the individuals whose personal data it discloses to the Manager.

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APPENDICES

1 STATEMENTS

1.1 Responsibility for the Prospectus

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

14 June 2022

The Board of Directors of Interoil Exploration and Production ASA

Signature: .....
Name: Hugo Quevedo

Signature: .....
Name: Isabel Valado

Signature: .....
Name: German Kanfti

Signature: .....
Name: Laura Marmol

Signature: .....
Name: Carmela Saccomanno

Signature: .....
Name: Nicolas Acuna

1.2 Forward-looking statements

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

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

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

1.3 Third party information

This Prospectus may contain industry and market data obtained through third parties, including, inter alia, independent industry publications, purchased market reports, market research, internal surveys and other publicly available information. Any information sourced from third parties has been accurately reproduced and, as far as the Company is aware and are able to ascertain from information published by said third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

2 INFORMATION ON INTEROIL

2.1 Company name, business registration number and LEI

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

2.2 Business address and contact details

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

2.3 Board of Directors and CEO

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

Name	Position
Hugo Quevedo	Chair of the Board
Nicolas Acuña	Board member
Isabel Valado	Board member
German Ranftl	Board member
Laura Mármol	Board member
Carmela Saccomanno	Board member

The Company's General Manager at the date of this Prospectus is Ricardo Romero, who is also serving as Chief Financial Officer (CFO), and the Company's Chief Executive Officer (CEO) at the date of this Prospectus is Leandro Carbone.

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

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

3 ADDITIONAL INFORMATION ON INTEROIL

3.1 Organizational structure and applicable legislation

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

3.2 Date of incorporation

The Company was incorporated in Norway on 25 May 2005.

3.3 Objective of the Company

Pursuant to section 3 of the Company's articles of association, the Company's objective is activities such as exploration, development production, purchase and sale of oil and natural gas deposits and production licenses, as well as any activities related thereto, including investments in equal and similar enterprises. The Company has one class of shares.

3.4 Shares, share capital and share options

As at the date of this Prospectus, the Company's share capital is NOK 91,081,064.50 divided amongst 182,162,129, Shares, each with a nominal value of NOK 0.50. The Company's Shares are registered in book-entry form with the VPS.

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

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

3.5 Business of Interoil

3.5.1 Introduction

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

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

The Company’s shares are listed and tradeable on the Oslo Stock Exchange under the ticker-code "IOX". The Company does not have securities listed on any other stock exchange or regulated market except for the “7.50 per cent Interoil Exploration and Production ASA Senior Secured Callable Bond Issue 2015/2026”, ISIN NO 001 0729908, issued pursuant to the Amended and Restated Bond Agreement dated January 17, 2020, as amended by the Amendment Agreement entered into on July 29, 2020.

3.5.2 Strategy

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

Interoil has been working on strengthening its operations in Colombia and Argentina where the current asset portfolio contains a large inventory of underdeveloped producing fields combined with exploration projects of high quality and potential. The Company currently plans to concentrate its efforts on increasing the number of flowing barrels corresponding to and owned by the Company in the short term, through a combination of acquisition of increased participations in some of such producing assets, purchase of interests in new blocks and an aggressive exploitation development plan aimed at boosting production in existing assets.

Assets Overview

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

(*) once approved by local regulators. It is uncertain when such approval will be received. The Company expects approval to be received by the end of 2022.

Colombia Operations

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

Puli C

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

Based on the DRM, a series of work overs have taken place in the Puli C license: Mana, Ambrosia and Rio Opia Fields. The results of this interventions have confirmed the extension of some undeveloped producing layers especially in the Chicoral Formation in the Ambrosia Field. Hence, Interoil is planning to execute a step-out well to validate this new geological model for the southwesternly area of the Ambrosia Field. Should this drilling activity validates Interoil's current DRM further drilling will be required to fully developed the associated hydrocarbon accumulation.

LLA-47

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

Altair

The block is placed in the Llanos Basin at approximately 5 km northernly of LLA-47. Currently, the block is fully covered with 3D seismic, detailed surface geochemistry and holds only one positive exploratory well, the Altair.x-1, together with four (Mizar.x-1, Purita.x-1 Colirojo.x-1 and Turaco.x-1) dry exploratory wells and Altair-2 as a development well (drilled after the Altair discovery). Interoil has already completed a detailed geological model in the westerly section of the Altair block using reprocessed 3D seismic data, and geological and petrophysical records gathered from the six existing wells, leading to a promising structure, named Mazorca, in the Gacheta formation, deeper to the Carbonera one (target of all the previous wells). At present, and following discrepancies as to whether the Mazorca.x-1 well met the requirements to be considered a well that would comply the pending exploration commitment of the Company under the Altair contract with the ANH, Interoil is able and plans to drill the Mazorca.x-1 well as a complying well should local communities grant approval for this activity to take place within the surroundings of their premisses and agreement is reached with the ANH.

Argentina Operations

Mata Magallanos Oeste (MMO)

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

Based on subsurface studies done in recent months, a series of workovers have been identified in the field. The results of these interventions would confirm the potentiality of some undeveloped producing layers, especially in the Castillo and Bajo Barrial Formations. Hence, Interoil is planning to execute additional well interventions to validate this new geological model for the Field.

For further details see Upcoming Operations in Argentina.

Cañadón Ramírez (CR)

This exploration block is adjacent and partially surrounding by the MMO field making an interesting business unit. This block is fully covered with 3D seismic plus 22 exploratory wells (where most of them have either oil and/or gas shows when drilled). The exploration commitments in this block are 20,000 samples of

geochemistry (15,000 samples are under analysis) and the reprocessing of the 3D seismic. Interoil plans for this block is integrate MMO & CR reprocessed 3D seismic, surface geochemical surveys and petrophysical re-evaluation from the existing wells to then modelled a complete and coherent geological model for the area aimed at explaining the hydrocarbon indications from the existing wells to further define the appropriate exploration/development strategy for either of the blocks.

Since this block is placed in an equivalent geological context as MMO due to its proximity, Interoil has identified some well interventions aimed at confirming the extension of the potentiality of the producing layers, the Castillo and Bajo Barrial Formations, from the MMO field. Hence, Interoil is planning to execute some well interventions to validate this new geological model for the Field.

For further details see Upcoming Operations in Argentina.

La Brea

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

Interoil has identified some potential petroleum layers based on the well data gathered fomr existing wells. The challenge in this block laies on which petroleum system prevails in the field. Hence Interoil is planning to interven LBE-x1 to validate the geological model and its petroleum system for the Field. Once this valuable information is confirmed, then a work program will habe to be defined accordingly.

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 are contained 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. Interoil has recently finalised and validated geophysical and petrophysical information for the exploitation and exploration acreage in these blocks. Interoil has already defined a work program aimed at firstly maximizing current production and optimizing field lifting costs.

For further details see Upcoming Operations in Argentina.

3.6 Significant events and planned investments

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

Corporate:

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

	On December 11st, Interoil summoned a bondholders' meeting seeking to obtain approval to a conversion into equity of 35% of the outstanding principal of Interoil's senior secured bonds and an extension of the maturity of such bonds to 2026 and other amendments. On December 30th, the bondholders approved the conversion of parts of the bond loan into equity of the Company subject to approval of the issuance of the relevant shares by the extraordinary general meeting of the Company called for January16th, 2020, and extended 6 years the maturity of the Bonds of the Company until Januray 2026 fixing a new interest rate of 7.5% p.a.
2020	– On January 16th, the Extraordinary Meeting of Shareholders approved the issuance 56,193,478 shares to Nordic Trustee for the benefit and allocation to the bondholders in consideration for the conversion into equity of 35% of the outstanding bonds. – In April as a consequence of the COVID-19 pandemic and operational and economic consequences, dramatic drop of demand and market prices scenario, Interoil postponed all investment programs and also carried out a significant cost reduction in salaries, employees, contractual services, fees and operational expenditures in all operations and at the headquarters in Oslo aimed at trying to offset unfavourable conditions and put operations in breakeven. – In July 16th, Interoil announced an amendment to the bond terms and conditions incorporating flexibility in the payment of interest on the bonds which is to be settled in the next three interest payment dates (Jul-20, Jan-21 and Jul-21) half in cash and half in kind through the issuance of new bonds with equal terms and conditions of those outstanding. – In July 17th, Interoil appointed Mr Francisco Vozza as the new General Manager and also announced that Mr Pablo Creta resigned to his position as General Manager and CFO of the Company.
2021	– On March 4th, Interoil announced that it entered into a farm-out agreement with SLS and Quantum Resources for the drilling an exploratory well (Mazorca) in the Altair block, subject to the obtainment of the required funding. The Company also launched a small private placement of up to the NOK equivalent of EUR 999,999 as an action aimed at securing such funding. Interoil also announced the agreement with Velitec S.A. for the reopening of 15 well in the Mata Magallanes Oeste oil field. – On March 9th, Interoil announced that the private placement launched the date before resulted in a succesfull oversubscription at the full of the offer on the first day of the application period (March 8th). – After approval of the private placement on March 11th, Interoil announced on March 26th the completion of the private placement whereby the Company issued at total of 7,265,576 shares with a subscription price of 1.33 NOK per share resulting in gross proceeds of approximately NOKK 9.7 million. – On April 6th, the Company launched a share issue pursuant to a national prospectus setting out the details of the share issue. On May 7th, the Company announced that it has resolved to allocate and issue a total of 17,845,541 shares in the Share Issue at a subscription price of NOK 1.20 per share, resulting in total gross proceeds of NOK 21,414,000 to the Company. Following registration of the share capital increase related to the Share Issue, the Company will have a share capital of NOK 91,238,909.50 divided into 182,477,819 shares, each with a par value of NOK 0.50. – In July, 2021, Ricardo Romero was appointed as Chief Financial Officer (CFO) of the Company.

2022	– Effective April 7th, Ricardo Romero replaced Francisco Vozza as General Manager of the Company. Mr. Romero continues to serve as Chief Financial Officer (CFO) of the Company as well.

Colombia Operations:

2019	– Vikingo's production started being transported and sold through Perenco´s pipeline at Oropendola station 15 km east from the well site, allowing a significant reduction in road maintenance expenses. – Colombian authorities confirmed an extension of the Altair license until April 2020.
2020	– In March, the President of Colombia acknowledged sanitary emergency due to the oil price crisis plus the impact of the Covid-19 pandemic, declaring the economic, social and ecological emergency in Colombia. – Since March, Interoil ceased to provide services for the operation and maintenance of the Toqui-Toqui field. – In reference to the declaration of emergency, on April 7th, the ANH set forth a framework of measures aimed at mitigating the impact of the emergency on companies with contracts with the ANH, including the extension of terms for exploration activities and the transfer of commitments between contracts with the ANH. Interoil was granted the extension as requested for both Altair and LLA-47 and as a result the new expiration dates of the exploration terms are April 27th, 2021 for Altair and February 7th, 2022 for LLA-47. – In April, Interoil had to shut-in production from Puli C because associated gas production could not be injected into the Colombian Gas National trunkline system (due to limited gas demand volume from end-users). – In May, Interoil decided to temporarily shut down production from Vikingo due to low oil prices. Vikingo's production was resumed in July 2020. – In May, Interoil declared Vikingo's commercial discovery, vis-à-vis the ANH, as a step towards a production concession. – In May, Puli C gas sales slowly reopened thus Interoil designed a well-by-well reactivation program to bring Mana, Rio Opia and Ambrosia fields back on stream. – In June, Vikingo's production was slowly brought back on stream reaching a steady production flow 25% higher than prior to its closure. – Interoil is working on the process to obtain environmental approvals required to convert a section of LLA-47 exploration license into a production concession covering the Vikingo subsurface hydrocarbon accumulation.
2021	– In March 4th, Interoil announced a farm-out agreement with SLS and Quantum Resources for the drilling of an exploratory well (Mazorca) in the Altair block. – In March 29th Interoil announced that it has entered into a farm-out agreement with SLS and Quantum Resources for the drilling of exploratory wells in the LLA-47 block.

	– In December 2021, ANH granted Interoil a time extension to comply with all exploratory commitments due to some social difficulties, until January 9, 2023.
2022	– Interoil was granted the extension as requested for LLA-47 and as a result, the new expiration date of the exploration term is March 28, 2023.

Upcoming activities in Colombia

Interoil's work program for the Puli C block includes repairing plus certifying our own pulling unit to perform downhole repair work in some producing wells, which could increase current production levels by approximately 15%. This work is expecting to start around November 2022. Likewise, the Company continues studying a step-out well in the southwesternly area of the Ambrosia Field aimed at evaluating the Chicoral Formation (also named UOB). This is a deeper layer not yet develeopd in Ambrosia Field because its development was prior the execution of the 3D seismic. Should the study technically justify a possible drilling, it would most likely be for a step-out well to the existing one which would be aimed at valuing the possible extention of hydrocarbon presence in the Chicoral Formation.

In the Altair block, Interoil is planning an exploration well, Mazorca.x-1, starting from Altair-1 site and targeting two producing layers, the already proven Carbonera and the deeper and yet to be tested Gacheta Formation. The Mazorca.x-1 well is expected to be spudded once an agreement is reached with the regulatory agency ANH. The Company has entered into an agreement with SLS and Quantum Resources to carry out the required investments. The Company has further carried out a successful private placement aimed at securing its equity funding for this project.

In the LLA-47 block, Interoil continues with the environmental permits required to comply with local regulation prior to any further drilling. Interoil will continue working on completing the remaining nine committed exploration wells in this block once an agreement is reached with the ANH.

No assurance can be given that the Company shall be able to complete as and when due and/or expected any of the activities and operations described in this section "*Upcoming activities in Colombia*".

Argentina Operation:

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

2021	– In March, Interoil entered into an agreement with Velitec for the reopening of 15 wells in Mata Magallanes Oeste. However, restrictions due to Covid-19 pandemic delayed the arrival of specialists to carry out well reopening. – During September, in addition to the continuing impact of Covid-19 restrictions delaying the specialist's arrival to the operations, environmental remedial actions were required in MMO-27 to remove around 200 cubic meters of top-soil affected with an oil spray of around 20 litres. This lead to temporary closure of activities in the area. In October, the environmental remedial actions in MMO-27 were completed subject to approval and site-inspection from the local environmental authorities. In November and December the Company followed up proceedings with authorities aimed at resuming activities.
2022	– In January and April, the Company made filings aimed at obtaining the approval of the authorities to resume operations. The Company has reached an understanding for the reopening of the field and is in the process of completing the required actions with the view of receiving formal authorization.

Upcoming activities in Argentina

Improved Regulatory Environment

Argentina regulations of the E&P sector have been recently changed with the view of accelerating investments in the oil & gas activities by allowing companies to optimize funds uses. Through the Decree 277/2022 dated 27 May 2022, the Argentina Government provides advantages to oil & gas industries favouring new investments, allowing the uses of the incremental revenues to be applied on it and facilitating and improving the possibility to access to the foreign currency market. The aforementioned Decree guarantees the oil & gas industries the availability of foreign currencies (USD) for an equivalent of 20% of the injection achieved in oil and 30% in the case of gas in all the Argentine basins, compared with the existent production of 2021. This regulation is not limited only to payments of investments, but opens the possibility to pay abroad also principal and interests of commercial and financial debts structured with international entities.

Activities for Organic Growth

In Argentina, most of the work program is focused on the Santa Cruz and MMO operations. For the Santa Cruz operations, the program consists in the installation of surface equipment adjustment to be able to treat oil production to improve product marketability. This program is related to the installation of a plastic pipeline gathering produced water from different production fields to be injected into different disposal wells spread out in the Chorrillos block. Such surface treatment process adjustments will reduce field operational costs whilst allowing the re-opening of shut-in wells to increase oil production by 600 bopd and adding 2 MMscfpd of gas sales. This well re-opening will also require different downhole repairs in some wells. As a result, Interoil is in the process of certifying its dedicated pulling rig to be able to undertake well intervention in the Santa Cruz operations. Likewise, Interoil is preparing some maintenance work among the gas compressors so as to ensure to have them producing at their optimal operating capacity.

At the MMO field, the Company intends to open production once downhole intervention of two gas wells are completed. Interoil is working with a local service company in the refurbishing and certification approval of the surface facilities aimed at having Oil Storage Facility for a business sound operation when marketing oil. The re-opening of MMO's oil production will start initially by streaming around 15 shut-in wells aimed at reaching production to around 120 bopd from the current 17 bopd. As wells are being left in production, Interoil plans to improve their production potential by opening additional by-passed oil layers already identified in most of the MMO's wells.

Interoil is forecasting MMO's oil production to reach around 400 bopd. Initially this production would be sold by truck directly at site to third parties and as production increases then oil sales would be pumped through one or both of the two independent open-access oil pipelines in the area, one through YPF and the other through PanAmerican Energy (PAE), to TERMAP, an export terminal, with operations in the city of Caleta Olivia (YPF pipeline) and Caleta Cordova (PAE pipeline). The MMO's export alternative further strengthens field's economic and operational performance.

At La Brea field, Interoil intends to open production by reparing LBE-x1 well and installing surface treatment facility in the lease. Interoil has estimated the well intervention to be around US$ 350,000,- plus another US$

685,000,- for surface facilities. This work program is aimed at initially flowing oil production to around 80 bopd. The re-opening of La Brea oil production will allow validate the hydrocarbon system in the block so define a development drilling program in La Brea Este structure and help validate the potential accumulation in El Oculto structure.

Inorganic growth

Increased Participation in Santa Cruz concessions

As part of the business strategy aimed at maximizing flowing barrels, the Company has entered into an option with IOG Resources S.A. to acquire an additional 21.66% participating interest in the Santa Cruz concessions where Interoil acquired its current 8.34% from Roch. The purchase price shall be validated by an independent expert and would be payable through a combination of issued shares and cash. In case that the acquisition is materialized Interoil would hold a total participating interest of 30% in all of the Santa Cruz concessions.

Work Over in Bajo Guanaco Block & Option to acquire from 10% to 20% participation interest in Vaca Muerta

Interoil has entered into a workover and option agreement with Argenta Energía S.A. (Argenta), an Argentine private E&P company, whereby subject to financial closing providing the funding and formalization of the Government approval to the agreement that grants to Argenta title to the block, Interoil shall repair at its own risk and cost an existing well in the Bajo Guanaco block, located in Vaca Muerta, Province of Neuquén, Argentina. The works shall be made with the view of producing hydrocarbons from a conventional formation and with an estimated intervention cost of US$ 357,000.

In consideration for the well repairment Interoil shall be granted (i) a right to collect 100% of the wells net sales up to a total of four times the aggregate amount spent in the well intervention, should the well repairment result in commercial production and (ii) an option to acquire a direct participating interest in the block and to be appointed as the block operator. The direct interest in the block to be purchased by Interoil in case the option is exercised shall range from a 10% participation to a 20% participation depending on the valuation resulting from an independent third party reserves valuation report. In the event that the option is exercised, Interoil shall pay Argenta a price of up to an amount of US$ 7,000,000 for the acquired participating interest in the block, of which up to the sum of US$ 2,000,000 shall be paid in cash and the balance through Interoil new issue shares up to a maximum of US$ 5,000,000 in shares.

The Asset: Bajo Guancao block

This block is located in the south-west area of the Neuquén Basin in the Province of Neuquén, Argentina, and comprises an area of 325 sq km. The block is currently owned by Argenta 90% and Gas y Petróleo de Neuquén S.A. (10%), a Neuquén Provincial State-owned Company. The property contains several gas wells which have not yet been brought to production. During June 2011 and June 2012, Argenta performed workover of its OA.x-1 well with some encouraging gas results.

The block is located at about 200 Km from the capital city of Neuquén, by National Route 22. Access to the block is through the town of Ramon Castro or Zapala.

Figure No. 33. Well location and gravel routes infrastructure

Argenta Energía SA

Argenta is a Junior Argentine private independent operating E&P company with more than ten years of experience in acquisition, exploration and development of petroleum and natural gas properties in Argentina. The Company has working interests in Bajo Guanaco Block placed in neuquina basin covering the Vaca Muerta formation, one of the most prolific unconventional play in the world. Among the wells drilled within these assets one well has tested reach light oil with associated gas proving the potential development of the Vaca Muerta unconventional resources these blocks hold. Additionally, two other wells are close to tight gas production from a shallower formation.

Bajo Guanacao – Exploration Commitments in time

Under the exploitation concesion Argenta shall complete within these 4 years with their sub-periods the work commitment program described below.

Year #1 – Semeste #1 worth value at 375 working units	
5.000 sample acquisition of surface geochemical surveys	worth value at 375.0 working units
Year #1 – Semeste #2	
Surface Geochemical survey study	worth value at 375.0 working units
3D seismic survey planning and field adquisition	worth value at 828.0 working units
Work Over OA.x-2 & Cvo.x-2 work over planning to Tordillo Fm.	worth value at 52.5 working units
Year #2 – Semeste #1	
3D seismic processing report	worth value at 41.4 working units
Work Over OA.x-2 & Cvo.x-2 work over to the tordillo formation	worth value at 52.5 working units
Year #2 – Semeste #2	
3D seismic processing report	worth value at 41.4 working units
Study and proposal for an unconventional target locacion	worth value at 33.7 working units
Year #3 – Semeste #1	
Study and proposal for an unconventional target locacion	worth value at 33.7 working units
Year #3 – Semeste #2	
Unconventional drilling and completion well	worth value at 517.5 working units
Surface treatment installation for gas and oil	worth value at 50.0 working units
Year #4 – Semeste #1	
Unconventional drilling and completion well	worth value at 1,207.5 working units
Surface treatment installation for gas and oil	worth value at 50.0 working units
Unconventional well testing	worth value at 73.7 working units
Year #4 – Semeste #2	
Unconventional well testing	worth value at 73.7 working units

This work commitment program amounts to a total of 3,805.3 working units where the unity value is equal to US$ 5.000. As a result, the work program is valued at US$ 19,028,000.

Block Unconventional Technical Introduction

In May 2012, Argenta drilled the Cvo.x-2 well which showed a 360 m thick Vaca Muerta formation. Subsequent studies identified three zones to be fractured, stimulated and confirmed the presence of light oil in the pore spaces. The fracture stimulation operation at the Cvo.x-2 well achieved its primary objective of proving that oil can be liberated from the Vaca Muerta formation. Further, its test production proved a sufficient hydrocarbons flow from the Vaca Muerta Shale Formation to request an extended evaluation period from the Province of Neuquén. In addition, it provided valuable information to improve production techniques for the Vaca Muerta in a relatively new region of the Neuquén Basin.

Vaca Muerta Shale Oil Potential

Pervasive hydrocarbon production declined and the mature exploration stage of most basins worldwide led oil companies to look for new reserves in non-conventional reservoirs (shales). Pioneering research aimed at this new target was primarily undertaken by the USA and Canada, where gas and oil shale production was first achieved around year 2000, and has steadily increased since then. Main North-American shale plays include: Eagle Ford, Barnett, Woodford, Marcellus and Bakken (Fig. 1).

Source: U.S. Energy Information Administration based on data from various published studies. Canada and Mexico plays from ARI.

Figure No. 1. Image showing the location of North-American shale plays (Source: EIA Report, 2011).

The promising results of North-American shale plays encouraged oil companies worldwide to evaluate the potential of their own non-conventional reservoirs. The results of these exploration efforts were compiled by the US Energy Information Administration in the April 2011 EIA Report, "World Shale Gas Resources".

It is estimated that Vaca Muerta has sources of oil totaling 16.8 BBO and gas totaling 308 TCF. Furthermore, this formation has extremely favorable properties which make its development viable. Among such characteristics, the following ones stand out: Vaca Muerta's TOC content (3-10%) is only surpassed by the Marcellus shale; the formation has a thickness of up to 500 m (1500 ft); and the reservoir pressure ranges between 4500 and 9500 psi, only surpassed by the Haynesville shale. In addition, Vaca Muerta Fm. Produces light oils of 35°-50° API, with a low content of sulfur and carbon dioxide.

In 2014, the US EIA confirmed Argentina's potential, which is ranked as having the third largest technically recoverable shale gas resource (11% of total world) and the fourth largest technically recoverable shale oil resource (8% of total world).

The discovery of Vaca Muerta's shale oil and gas in the Neuquén Basin has opened a new exploration frontier in Argentina. Bajo Guanaco Block plays a significant roll in this scenario. In 2011 geochemical and petro-physical analyses of the 32 available samples of cores and cuttings from the Vaca Muerta shales in the existing wells of the

blocks were carried out. These studies showed that this unit has great potential to produce hydrocarbons, because it has (Figs. 2, 3, 4, and 5):

- High TOC % (up to 6.4 %).
- Type II/III marine kerogen.
- Proper thermal maturity for oil generation.
- Excellent gross thickness (around 400 m).
- High quartz and carbonate content (enhanced fracability).

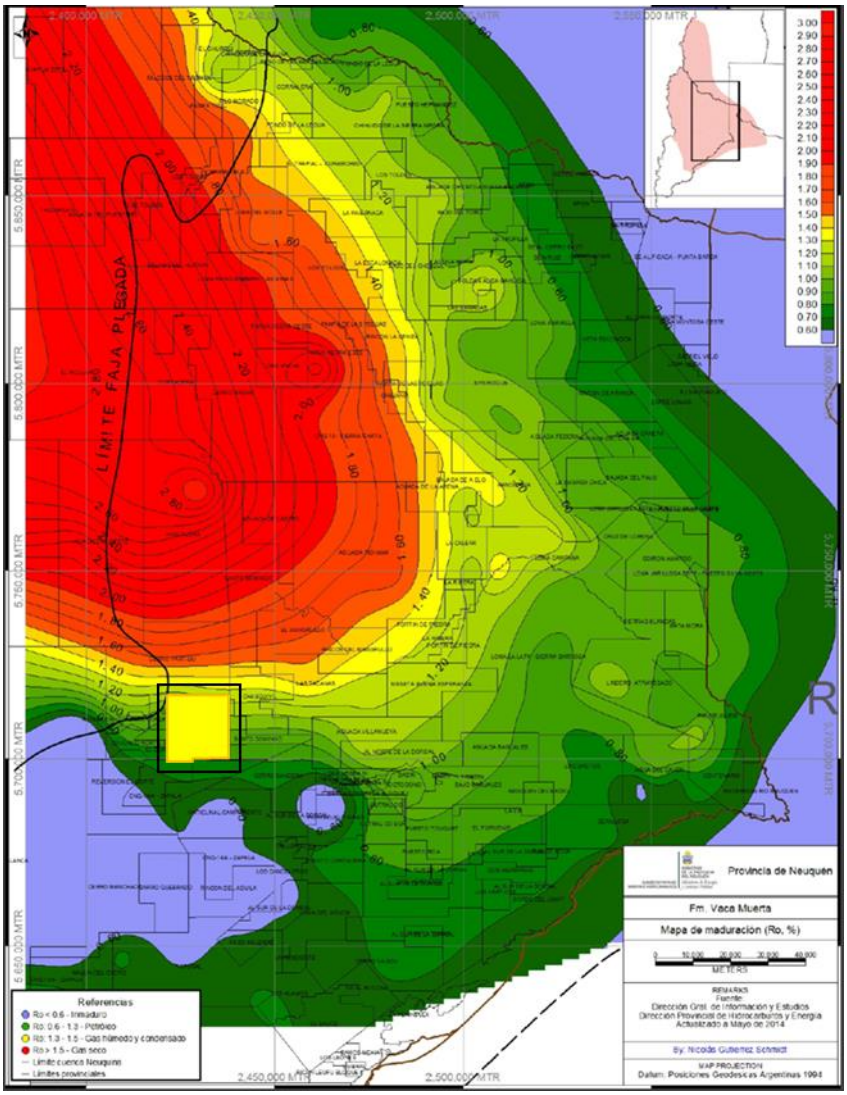


Figure No. 2. Vaca Muerta maturity map of the Neuquén Basin, showing that the Bajo Guanaco block are located within the oil window. (Legarreta, L., & Villar, 2012).

WELL	DEPTH (m)	GEOLAB SUR (Argentina)			WEATHERFORD (Canada)		
		TOC %	Tmax	Ro%	TOC %	Tmax	Ro %
OA x-1	1715	0.78	445	0.85	0.732	448	0.83
	1816	1.92	444	NA	1.737	449	NA
	1874	3.13	445	0.88	3.185	450	0.89
ZN x-1	1456	1.02	435	0.64	0.947	439	0.69
	1517	6.35	437	0.65	5.513	442	0.75
ZN x-2	1600	1.44	439	0.71	1.272	443	NA
	1678	3.98	439	0.71	3.903	444	0.84
SD x-1	1756	0.70	436	NA	0.626	440	NA
	1798	0.69	438	NA	0.641	440	NA
	1846	1.77	445	0.95	1.377	445	0.88
	1885	2.31	448	NA	2.345	448	0.83
	1924	4.50	449	1.07	4.389	451	0.88
OA x-2	1538	1.15	443	0.91	1.094	444	NA
	1685	1.02	443	NA	1.035	447	NA
	1760	1.20	443	NA	1.042	446	NA
	1805	1.23	444	NA	1.326	445	NA
	1869	4.26	450	NA	4.064	453	NA
	1884	4.43	449	1.08	4.102	452	0.88

Figure No. 3. Geochemical results (TOC content and maturity indicators) by Geolab (Argentina) and Weatherford (Canada).

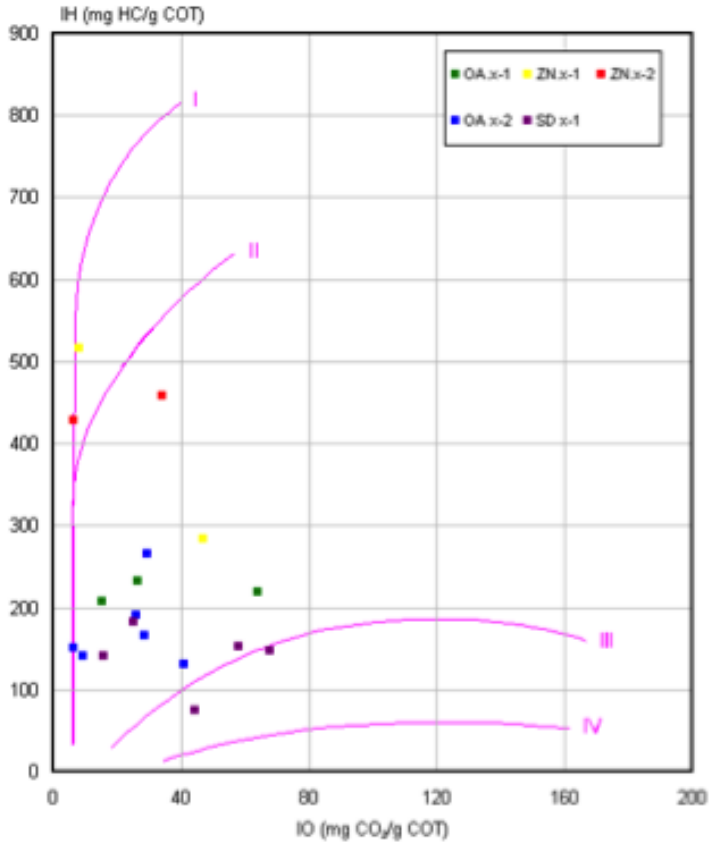


Figure No. 4. Hydrogen index (HI)/oxygen index (OI) of Vaca Muerta samples, indicating type II/III, marine kerogen.

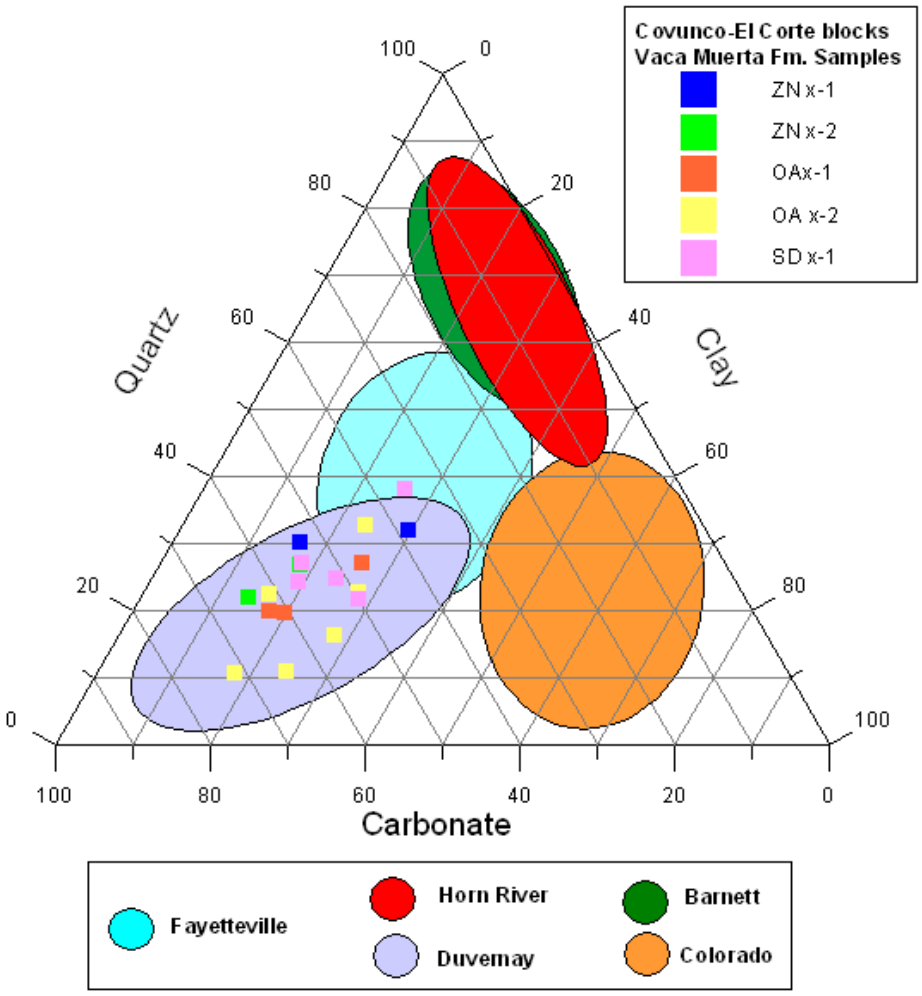


Figure No. 5. X-Ray diffraction of Vaca Muerta shales, showing appropriate quartz (11-38%) and carbonate (35-72%), and low (<30%) clay content, which makes it suitable for hydraulic fracturing. Comparison with North-American producing shales.

Based on the encouraging results of these data, a vertical pilot well to Vaca Muerta (Covunco x-2) was drilled to evaluate its potential as a non-conventional reservoir. The proposed well location was chosen, because it lies within the area of high Vaca Muerta TOC (> 4%) and good thickness (> 300 m), and with the best maturity levels, which increase from west to east. The entire hatched yellow area of Fig. 6 is within oil generation maturity levels. On the other hand, well log analyses performed by Canadian Discovery reveal that the vicinity of the Cvo.x-1 well has higher effective porosity and lower water saturation values. Also, mineralogical analyses based on X-ray diffraction at OA.x-1 and OA.x-2 well samples indicate that silica and carbonate content increase towards the east, while clay content decrease in that direction, improving, thus, Vaca Muerta's fracability. The secondary objective of the well was to corroborate the Tordillo´s gas presence evidenced at the neighboring Cvo.x-1 well, being both wells located on a three-way-plus-fault (3WC+F) structure of 5 sq km (Fig. 7). Currently available 2D seismic data show that the area of the study well is not intensely faulted), whereas a well image log at the Cvo.x-1 reveals that Vaca Muerta shales are naturally fractured, being both, desirable conditions. In addition, the Cvo.x-1 could be used for micro-seismic monitoring during hydraulic fracturing of the Cvo.x-2 well.

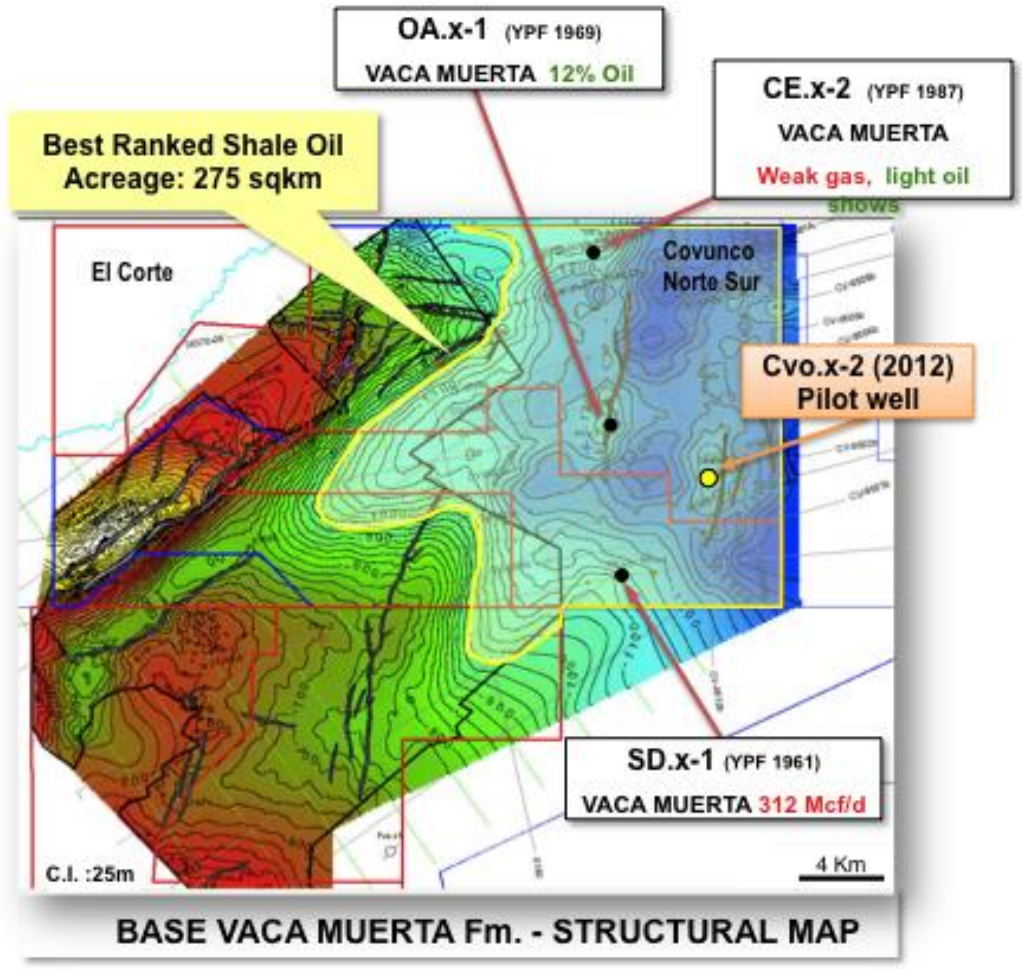


Figure No. 6. Base of Vaca Muerta structural map, showing location of the Cvo.x-2 pilot well and pre-existing wells with hydrocarbons shows. Hatched yellow pattern shows the best ranked Vaca Muerta's Shale Oil prospectable area (275 sq km of high TOC content, good thickness (> 300m), and within the oil window maturity level).

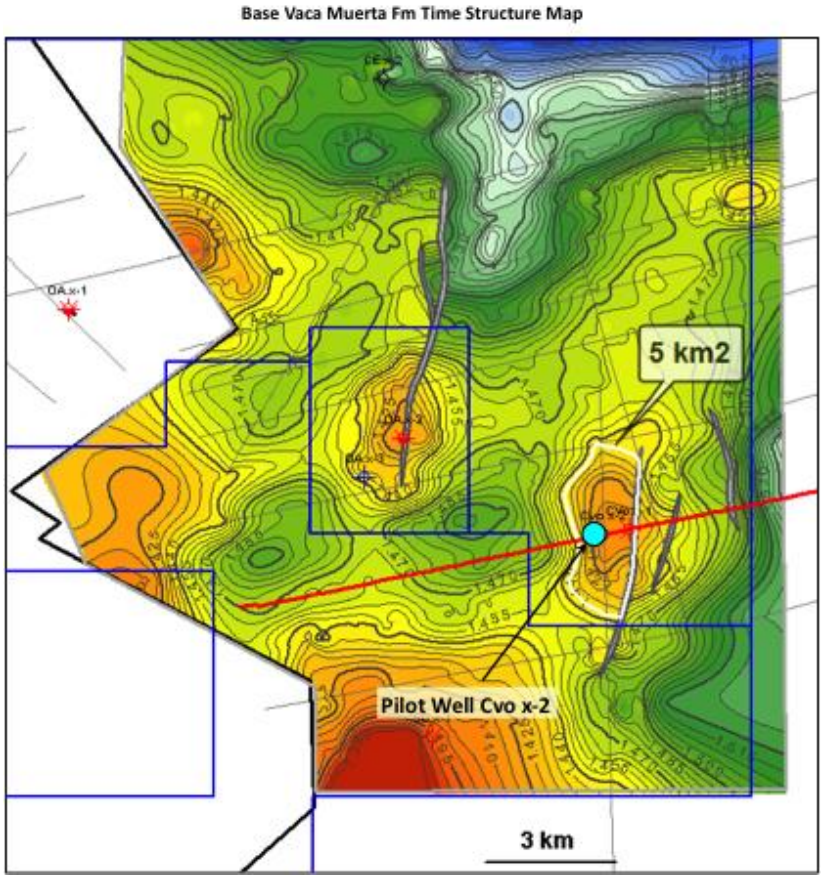


Figure No. 7. Time structure map at the base of the Vaca Muerta Fm, showing location of Cvo.x-2 study well, Cvo.x-1 monitor well, and seismic cross-section.

As the Cvo.x-2 was intended as a study well to evaluate the production potential of the non-conventional Vaca Muerta reservoir in the block, all necessary core/side-wall core data, conventional and special wire-line and acoustic well logs, to carry out all the lab studies and well log analyses necessary to fully characterize the sedimentological, mineralogical, petro-physical, geochemical and geo-mechanical properties of the Vaca Muerta shales. These studies involved the acquisition of: 35.3 m of core and 50 sidewall cores, standard logs through the entire column, and specials logs (electrical image, mineralogic, magnetic resonance log, and sonic scanner) through the Vaca Muerta and Tordillo Fms.

As Schlumberger was the operating company with most experience in Vaca Muerta, all the studies in the Cvo.x-2 well to them and their associated laboratories: Terratek in Salt Lake City, USA, and Geolab and LCV SRL in Buenos Aires, Argentina. Schlumberger also designed the hydraulic fracture program.

The Cvo.x-2 well was deviated in order to stay away of the fault, and thus avoid operational risks similar to those in the neighboring well Cvo.x-1, and to be closer than 350 m to the Cvo.x-1 well in the Vaca Muerta Fm, so that Cvo.x-1 could serve as a micro-seismic monitor well, while fracturing Cvo.x-2 (Fig. 8). Cvo.x-2 was drilled in April 2012.

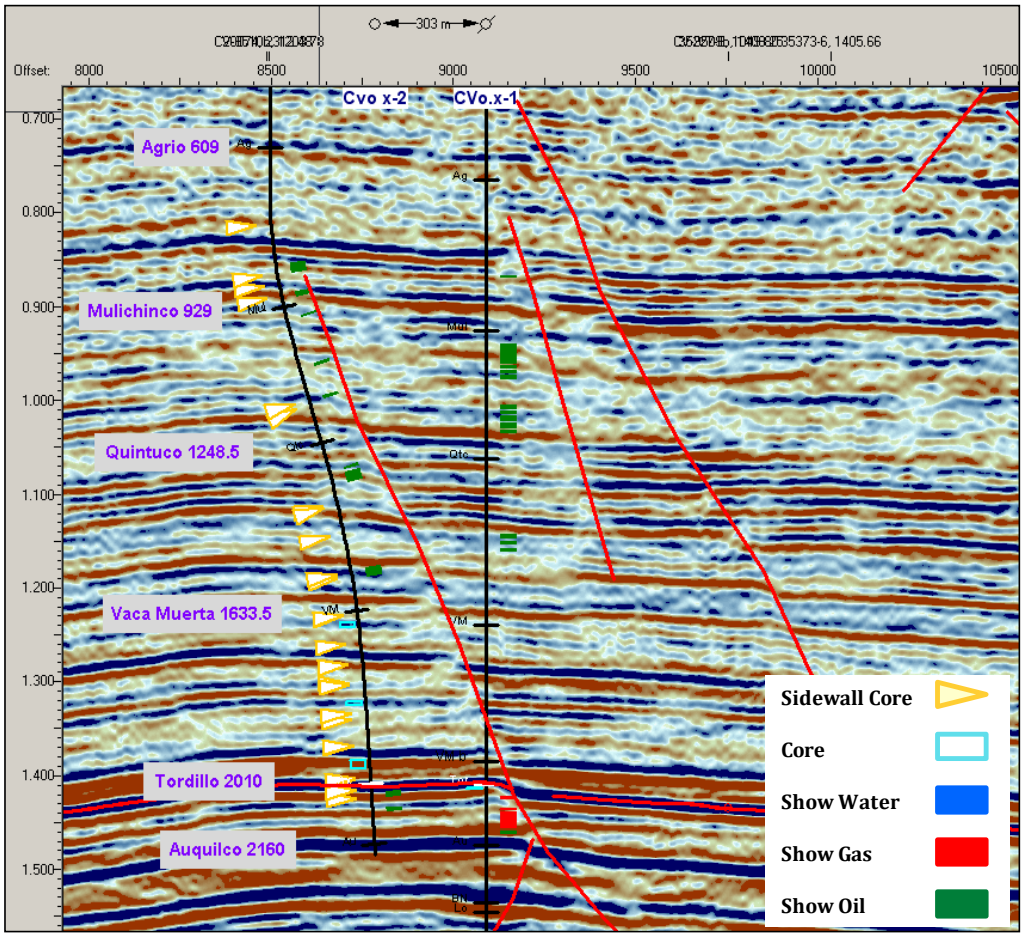


Figure No. 8. SW-NE seismic section, showing Cvo.x-2 trajectory, cores, side-wall cores and oil shows. Faults in red.

Schlumberger and its affiliates integrated the sedimentological, geochemical, petro-physical, mineralogical, and geo-mechanical studies into a reservoir quality log, which takes into account TOC content, permeability and porosity into a completion quality log, which considers the horizontal stress, the clay content and the Young modulus. The intervals that were fractured were those that had both, good reservoir and completion quality (Figs. 9 and 10).

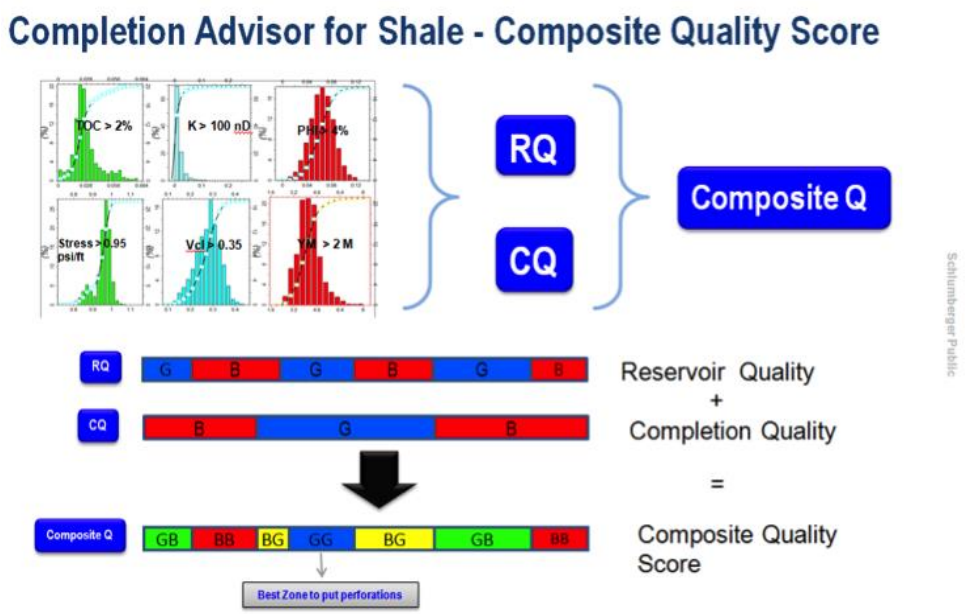


Figure No. 9. Composite quality score. Intervals to be fractured: those with good reservoir quality and good completion quality.

Based on the composite quality score, Schlumberger designed a three-stage hydraulic fracture: at the base, within the basal section, and close to the top of the Vaca Muerta Fm. (Fig. 10). The details of the hydraulic fracture design are further explained in the Engineering & Operations Section of this document.

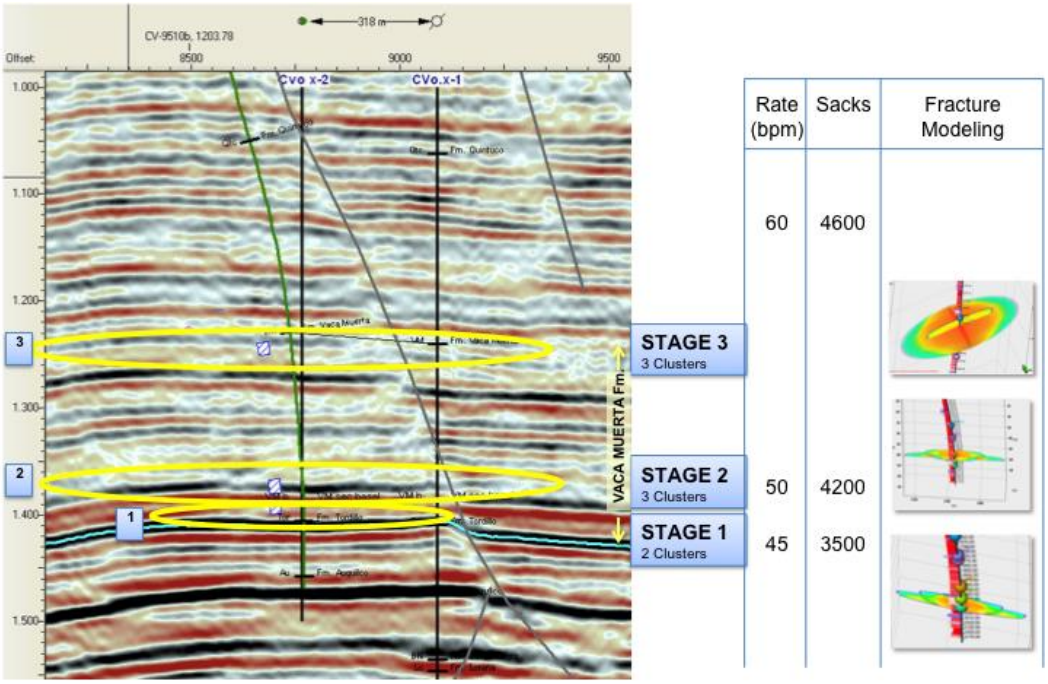


Figure No. 10. Seismic section, showing the Cvo.x-2 hydraulic fracture program and modeling. Yellow ellipses approximately indicate forecasted areal extent of fractures. The Cvo.x-1 well monitored the process using microseismics.

Geochemical Characterization

TOC% content and maturity analysis

A total of 110 samples were analyzed for TOC% content and pyrolysis (34 from cores, 8 from sidewall cores and 58 from cuttings). 4 samples with high TOC% content were selected for vitrinite reflectance analysis.

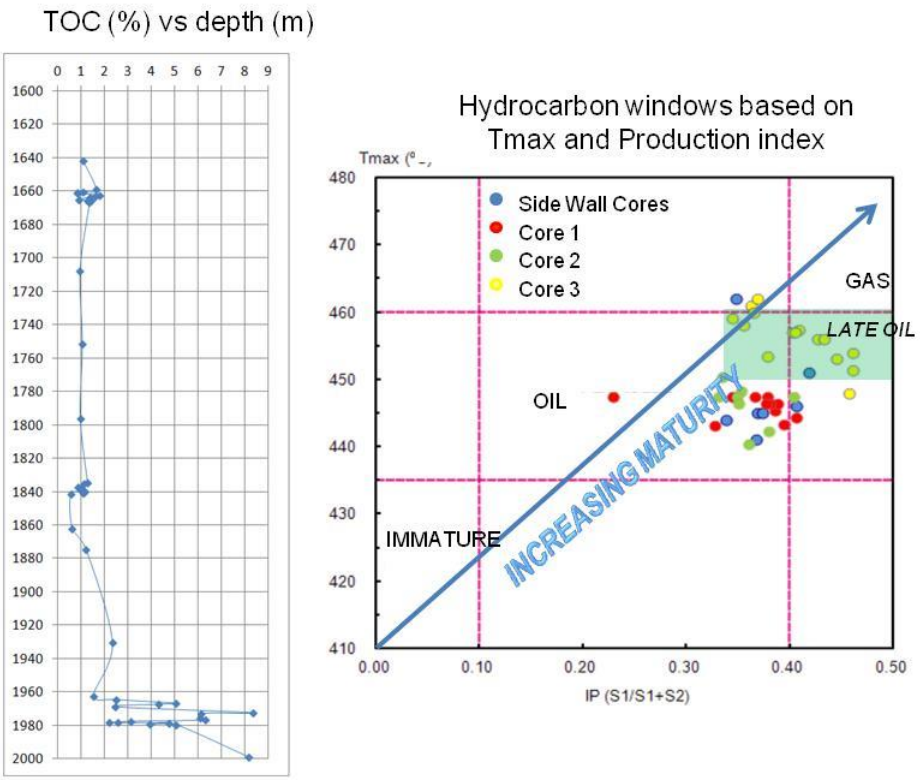


Figure No. 11. Profile showing variation of TOC % with depth within the Vaca Muerta Fm and graph indicating hydrocarbon windows, based on Tmax and production index. These data are from cores and sidewall cores.

TOC% content is higher (up to 8%) at the base of Vaca Muerta FM. and the interval with TOC > 2% (good source rock) is about 100 m thick (Fig. 11). Regarding maturity, all samples in Cvo.x-2 well lie within the oil window, based on Pyrolysis (Tmax bellow 460 °C), Thermal Alteration Index (TAI), Production Index IP (below 0.4), and Vitrinite Reflectance (Ro%) (Figs. 11 and 12). Vitrinite reflectance values, which vary between 0.82 and 1.14, indicate that Vaca Muerta is within the medium to late oil window, and suggest that in the base of Vaca Muerta Fm. the kind of hydrocarbon is light oil and can be associated with small amounts of gas/condensate. This is an encouraging result since the presence of gas can increase HC mobility.

Maturity Indicators

Sample Type	Ro%	TAI	Tmax (° C)
Core 1	0.82	3-/3	447
Core 2	1.08	(3-)/3	447
Core 3	1.12	3/(3+)	456
Core 3	1.14	3/3+	457

Figure No. 12. Maturity indicators of the Cvo.x-2 well.

In addition, Soxhlet Extraction and Biomarker data confirmed the mid-late oil phase of maturity and denoted marine source rocks deposited in reducing environments. The expected fluids derived from the solvent extracts represent low-sulfur oils of relatively light nature, speculatively in the API range of 35–40°. Laboratory analyses of the oils produced at Cvo.x-2 well confirmed its light nature: 38.4° API; its associated gas is rich, with a calorific value of 11,300 kcal/m^3.

Generation potential of Vaca Muerta at the Cvo.x-2 well estimated by the S1+S2 pyrolisis yields from moderate to good-excellent generation qualities.

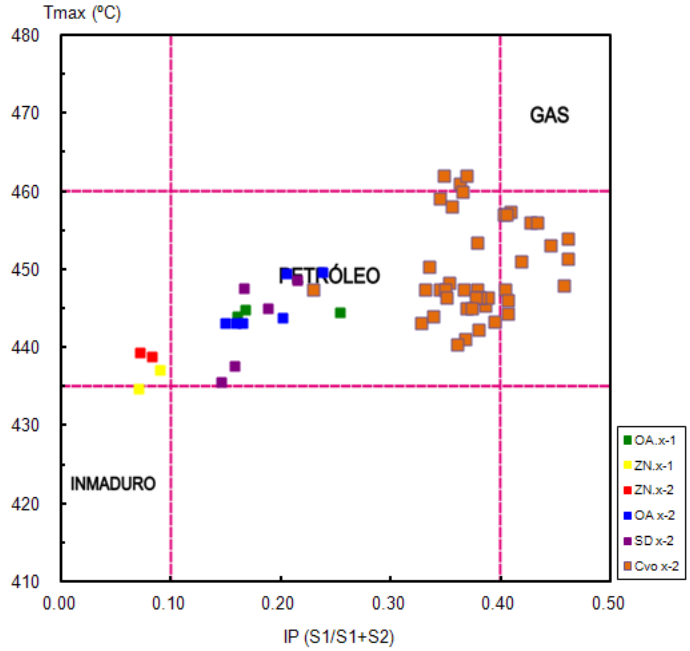


Figure No. 13. The comparison of HC windows between the samples of wells analyzed in 2011(OA.x-2, OA.x-1, ZN.x-1, SD.x-1, and ZN.x-2) and samples of Cvo.x-2, shows a higher maturity level for the Cvo.x-2 well.

The Cvo.x-2 well shows a higher maturity level, compared with the wells located to the west and south of the block (Fig. 13).

Mineralogical Characterization

XRD analyses of core and side-wall core samples of the Cvo.x-2 well indicate it is a mixed mudstone, with a fairly low clay content (<25%), which enhances its fracability. Fig. 14 shows its mineralogical content and its comparison with producing shales from Canada and USA.

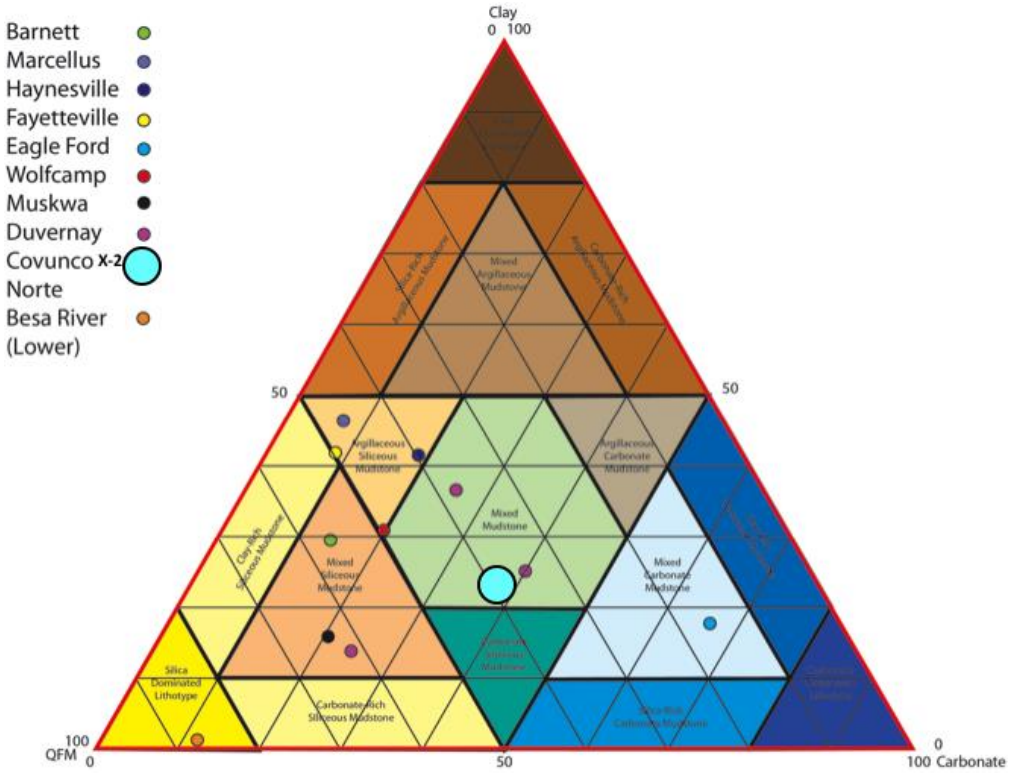


Figure No. 14. Ternary diagram showing mineralogic composition of the Cvo.x-2 Vaca Muerta shales and its comparison with producing shales of Canada and the USA.

Post-Fracture Studies

After fracturing, a series of studies were undertaken by independent consultants in the areas of well log and well image interpretation (FMI), well fracture evaluation, well-log based sequence stratigraphic interpretation, reservoir engineering, and seismic sequence stratigraphic processing (SSIS). The aim of these studies was to obtain an independent, integrated view of the Vaca Muerta Fm. that incorporates the lessons learnt at the Cvo.x-2 well. Using the comprehensive data set of this study well for calibration, an evaluation of the resources of the area was conducted.

In addition, the post-fracture review attempts to explain the different performance of the three fracture stages to evaluate: 1) refracture the Cvo.x-2 well, 2) fracture of Vaca Muerta at a neighboring well (300 m apart) Cvo.x-1 well, 3) assist in locating committed exploration well in the block.

A summary of the studies involved follows.

Well Log Sequence Stratigraphy

Methodology:

GR, resistivity, sonic, density logs were used to define eight (8) electrofacies. These electrofacies were calibrated with core data, photoelectric and FMI (borehole electric image) logs (Fig. 16) to identify four main lithofacies: 1) argillaceous mudstones, 2) silty/argillaceous mudstones, 3) calcareous mudstones, and 4) mudstones & wackestones (Embry & Klovan classification) (Fig. 15). The GR log best correlated with lithofacies and was the one used for correlations. Field stratigraphy and outcrop analogues (previous knowledge) were also used as an input for interpretation (Fig. 17) as well as geochemical data (Fig. 16). The main lithofacies variability is related to clay and micrite content. This also has correlation with brittle-ductil units (Fig. 16).

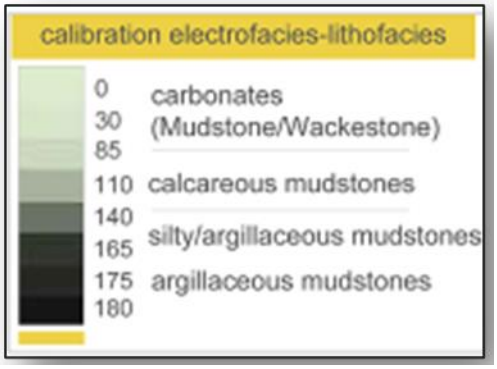
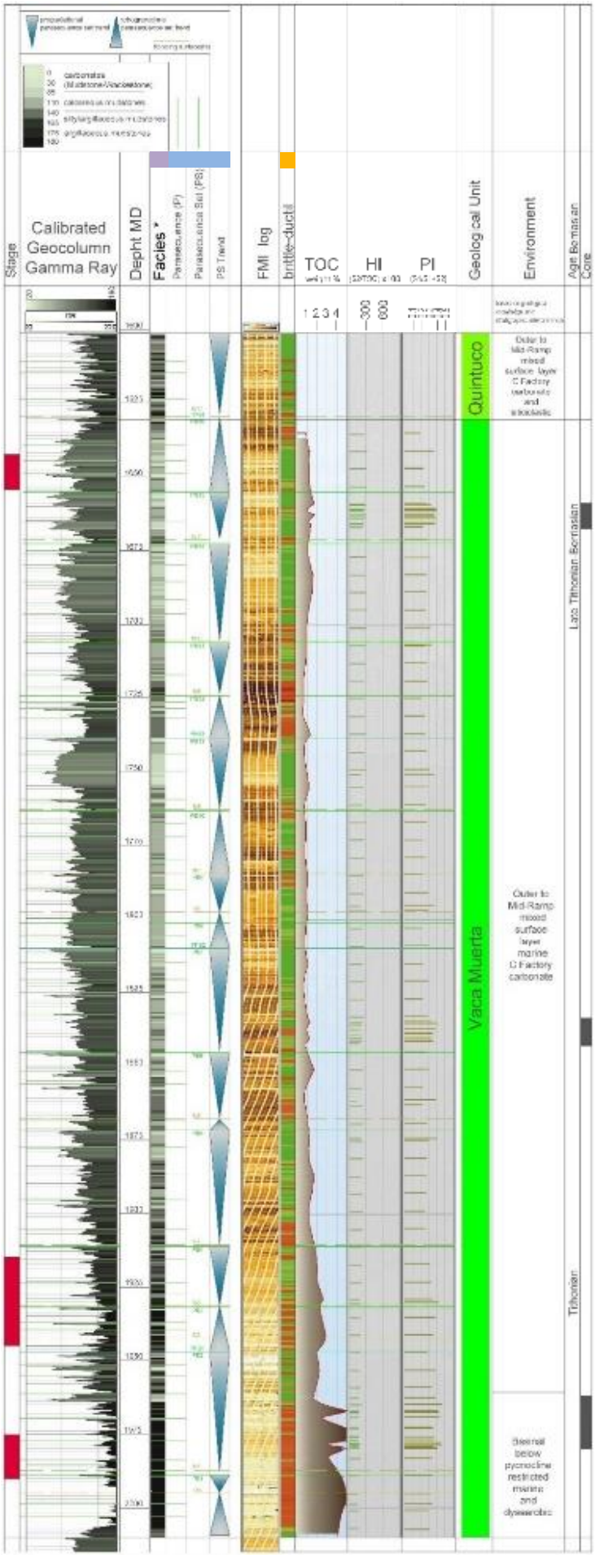
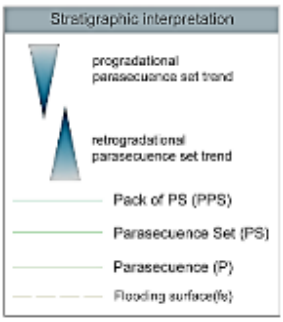


Figure No. 15. Electrofacies codes related to GR log values and calibration with lithofacies.

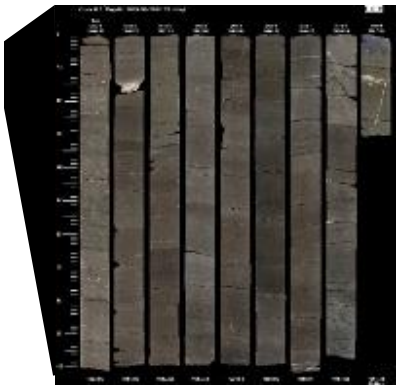
Sequence stratigraphic analysis was based on Van Wagoner *et al*., 1990; Schlager, 2005, and Flügel, 2004. Four major cycles of para-sequence sets (PPS), 80-150 m thick, were identified within the Vaca Muerta Fm. at Cvo.x-2 well. They are composed of para-sequence sets (PS) (12-30 m thick) separated by flooding surfaces (FS). In turn, these PS consist of para-sequences (3-6 m thick), which are the smallest units for log based interpretation. Beyond log resolution, beds (10-80 cm thick) can have transitional contacts from the base to the top of each para-sequence.

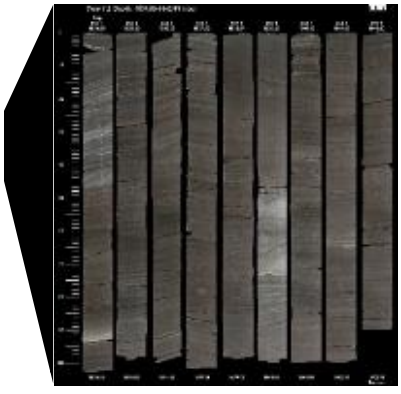
Para-sequences consist of silty to argillaceous mudstones at the base and calcareous mudstones towards the top. They may culminate with carbonates (mudstones or wackstones) and are generally progradational (Fig. 17). The shallowing-upward trend of each para-sequence is characterized by an increase in the productivity of the carbonate factory. The same general tendency is observed at the bigger scale of the para-sequence sets (PS) with minor retrogradational trends at the base of each major cycle (PPS) (Figs. 16, 18, and 19). The basal PPS1 cycle is related to the main transgression and the maximum flooding surface (MFS) (Figs. 16, 18, and 19).

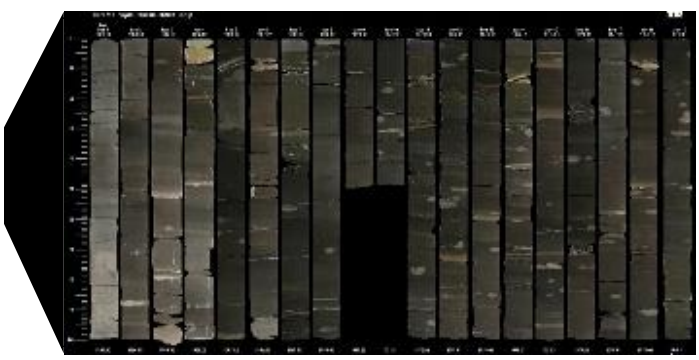

Stage
Calibrated Geocolumn Gamma Ray
Depht MD
Facies
Parasecuence (P)
Parasecuence Set (PS)
PS Trend
FMI log
brittle-ductil
TOC
HI
PI
Geolog cal Unit
Environment
Age Bomasian Core
Quintuco
Vaca Muerta
Lara Tithonian Berriasian
Tithonian
Outer to Mid-Ramp mixed surface layer C Factory carbonate and shale/silic
Outer to Mid-Ramp mixed surface layer marine C Factory carbonate
Basinal below pycnocline restricted marine and dysaerobic

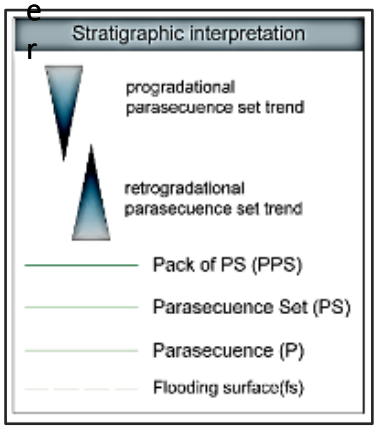

Stratigraphic interpretation
progradational parasecuence set trend
retrogradational parasecuence set trend
Pack of PS (PPS)
Parasecuence Set (PS)
Parasecuence (P)
Flooding surface(fs)

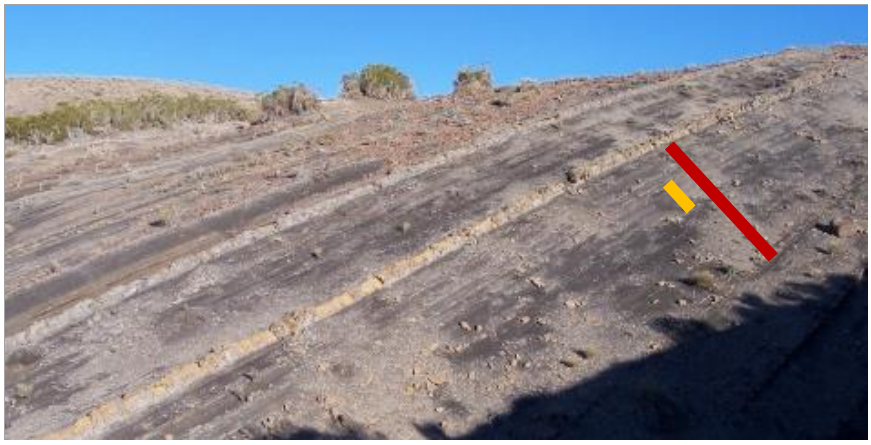

calibration electrofacies-lithofacies
brittle-ductil log
0
30
85
carbonates (Mudstone/Wackestone)
110 calcareous mudstones
140
165 silty/argillaceous mudstones
175 argillaceous mudstones
190
brittle
ductil











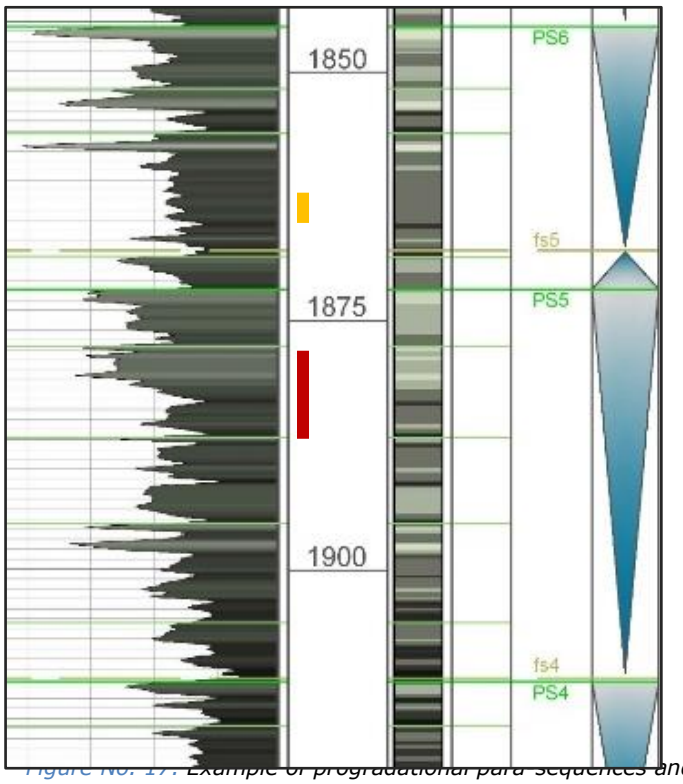


Figure No. 19: Example of progradational para-sequences and para-sequence sets trends and its corresponding electrofacies-lithofacies. Comparison of scales and resolution related to outcrop analogues.

The mayor cycles (PPS) are correlated with seismic reflectors and can be distinguished based on onlaps, downlaps and/or toplaps seismic terminations.

The GR, resistivity and DT logs were used for correlation with the rest of the wells. The basal section of the Vaca Muerta Fm. (PS1 to PS4 para-sequence sets) is the richest (TOC content of 2% and up to 8%) and is fairly constant in thickness (approximately 100 m). The maximum flooding surface (MFS) and its corresponding condensed section at Cvo.x-2 is very close to the base of Vaca Muerta, within the PPS1 major cycle. PS1 and PS2 are highly laminated, contain illite smectite clay minerals and have high kerogen content. The ductile behavior of this section may explain the low performance of Stage 1 during fracturing.

Two illustrative, SW-NE and NW-SE well cross-sections are shown below (Figs. 18 and 19).

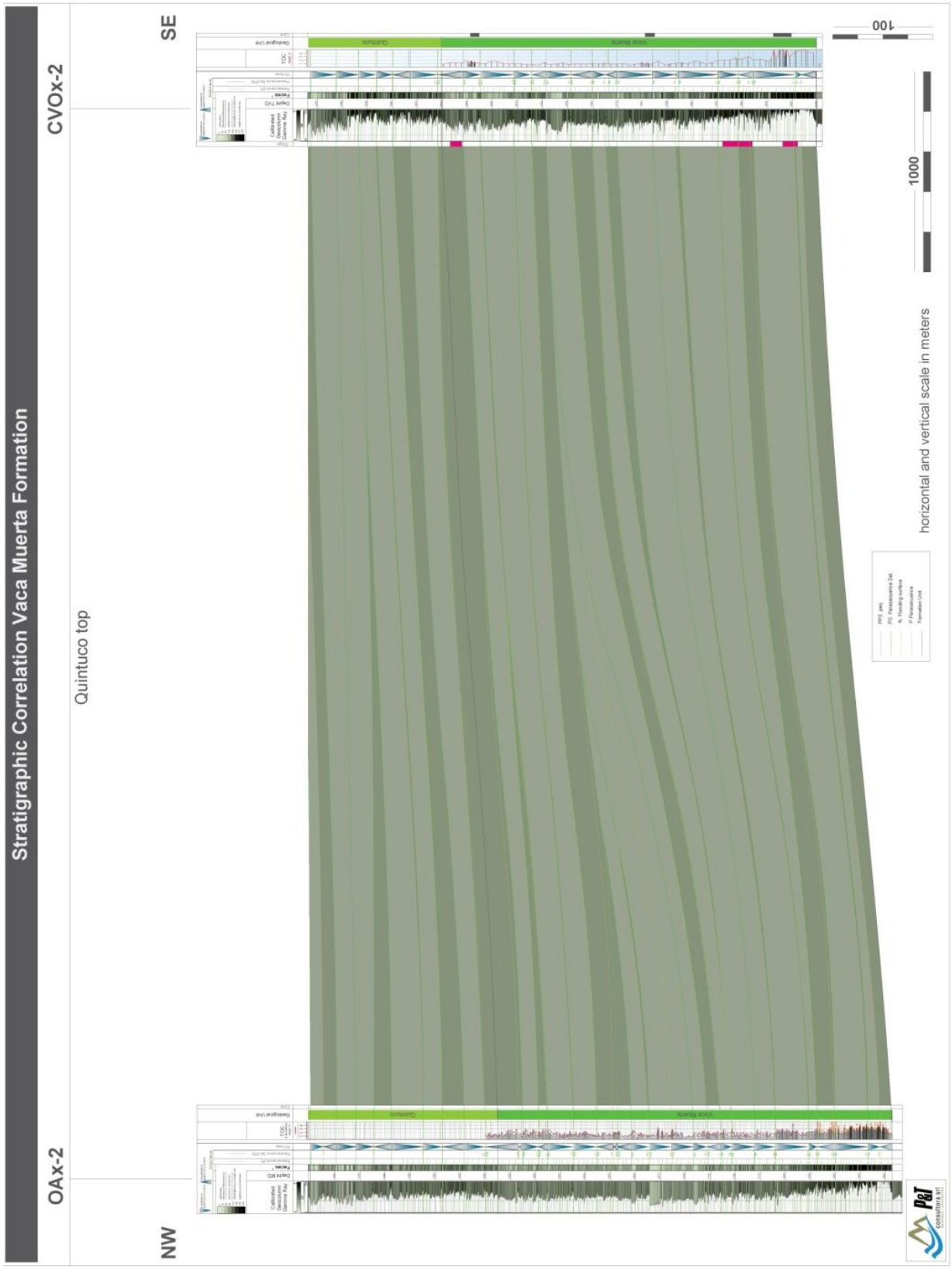


Figure No. 18. NW-SE cross-section, showing geometry of para-sequence sets within the Vaca Muerta Fm.

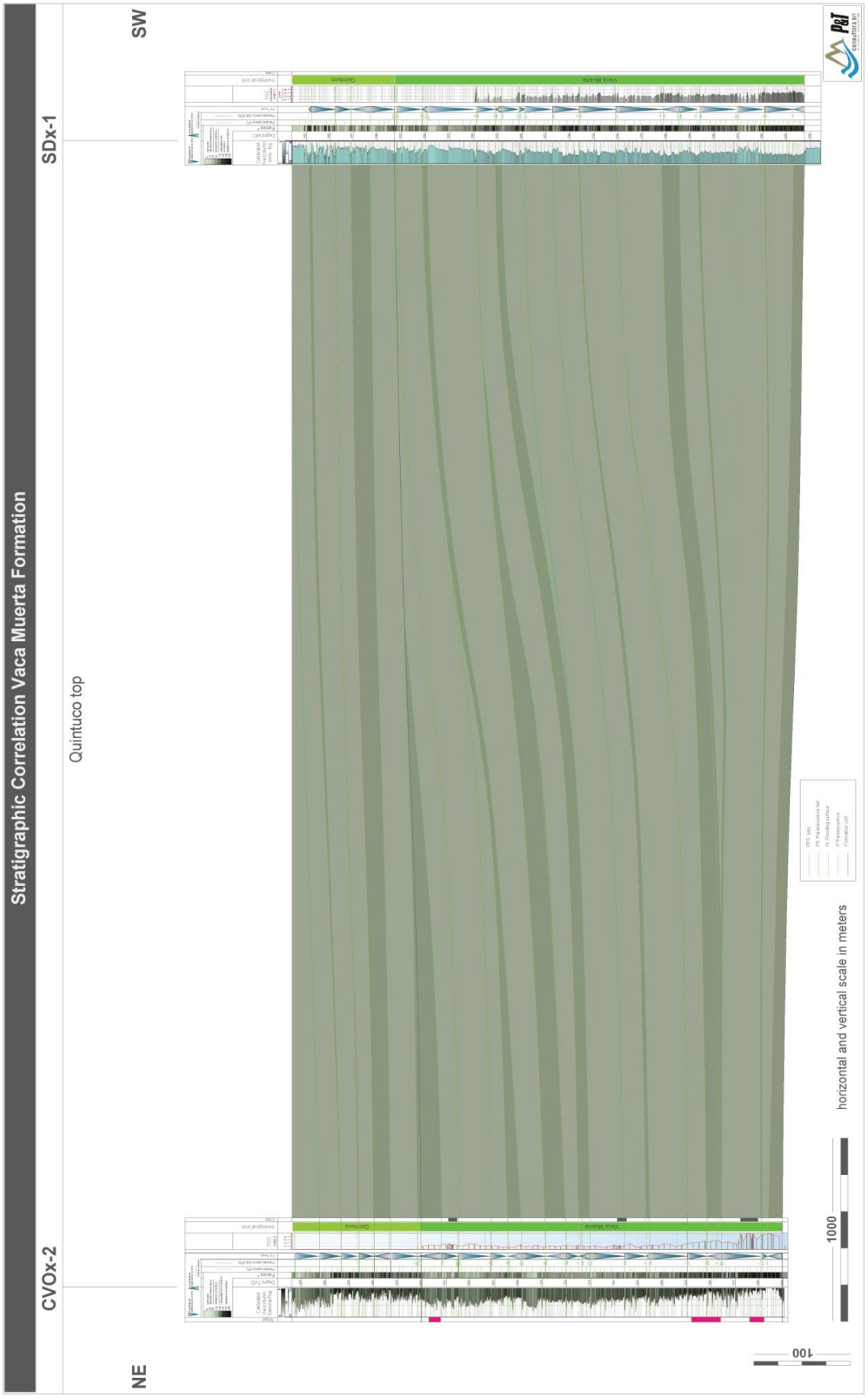


Figure No. 19. SW-SE cross-section, showing geometry of para-sequence sets within the Vaca Muerta Fm.

Petrophysics

The Cvo.x-1, Cvo.x-2, CE.x-2, SD.x-1, OA.x-1, OA.x-2, ZN.x-2 and CAz.x-1 wells were evaluated. Total Organic Carbon (TOC) was estimated in all wells. Clay content, total and effective porosity, and water saturation including and not including kerogen were computed in all wells except OA.x-1 and SD.x-1.

The key well for this study is Cvo.x-2, which has a complete set of logs, including spectral gamma ray and elemental capture spectroscopy (Table 4). XRD measurements of clay, silica and calcium are available on the three cores at 1660-1669, 1833-1842, and 1962-1980 meters. Total organic carbon (TOC) was measured on sidewall cores from 1635 to 2013 meters.

The methodology and parameters used to estimate TOC in all wells and then clay volume, porosity and water saturation are described below.

Total Organic Carbon (TOC)

In the Cvo.x-2 well, a continuous curve (TOCLOG) was tied to the sidewall core data. Then, a multivariate correlation among TOCLOG, sonic slowness and deep resistivity was developed. From this correlation, we computed a TOCLOG curve in all wells that reasonably matches the few TOC measurements available in the OA.x-2, SD.x-1 and ZN.x-2 wells. From the TOCLOG curve, we computed the average TOC for the four parasequences PPS4, PPS3, PPS2, and PPS1.

The average TOC in PPS1 of the SD.x-1 well was computed from the interpolation of the four measured TOC values in the interval, because the TOCLOG derived from sonic and the bad ILD from 1835 m to the base of Vaca Muerta is wrong (Table 5).

Clay content

The gamma ray curve overestimates clay content in the Vaca Muerta formation because of the high uranium content of organic matter. See for example the high gamma ray and high uranium readings in the hydrocarbon-bearing section in Fig. 21.

As the K+Th gamma ray curve was not available, in the Cvo.x-2 well we estimated the clay content from the potassium curve; it matches the XRD measurement of % clay by weight in the three cored intervals (see Fig. 21). Then we computed a theoretical gamma ray minus uranium curve in API units from de potassium curve. From this theoretical gamma ray, the actual gamma ray curve and the TOCLOG curve, we derived a multivariate correlation to estimate a synthetic gamma ray curve in all wells (GRSYN), from which the volume of clay was estimated.

Clay content could not be estimated in the SD.x-1 and OA.x-1 wells as no gamma ray curve is available.

Porosity

Lithology and total porosity were computed with the dual-mineral + clay method in the Cvo.x-1 and Cvo.x-2wells. In both wells the lithology derived from porosity logs is limestone with no quartz, in contradiction with the lithology indicated by the elemental capture spectroscopy log run in Cvo.x-2 and XRD analysis. The lithology identification M-N plot of Vaca Muerta in Cvo.x-2 (Fig. 20) indicates that it is a shaly limestone with no quartz. Fortunately, the lithology discrepancy has no effect on the computation of total porosity.

Total porosity in the CAz.x-1, OA.x-2, CE.x-2, and ZN.x-2wells was computed either from the density or the sonic log assuming a limestone matrix. No porosity computation was done in the SD.x-1 and OA.x-1wells.

Water saturation

Water saturation was computed with the dispersed-clay Simandoux equation, using m =2, n = 2 and a water resistivity equivalent to 80,000 ppm ClNa. We arrived at this salinity assuming that the 40,000 ppm salinity of the produced water in Cvo.x-2 is the average of fresh frac water and formation water. This water salinity is in line with known salinities in other Vaca Muerta wells.

The amount of hydrocarbons computed includes kerogen and oil. To distinguish between kerogen and oil, a magnetic resonance log is needed. Since the magnetic resonance cannot "see" kerogen, total magnetic resonance porosity (see Fig. 21, TTCMR curve) is the dividing line between kerogen volume (black) and oil volume (dark green). To compute pay thickness and averages, we defined PHIOIL = TTCMR.

Water saturation excluding kerogen (SWOIL on Fig. 21) is computed simply as BVW/PHIOIL. To compute PHIOIL in wells with no magnetic resonance, we generated a synthetic TCMR curve (TCMRSYN) it from a multivariate correlation between total porosity and TOC.

Net pay oil (excluding kerogen)

Net pay was computed with the following cutoffs: PHIOIL > 6%, SWOIL < 50%, VCL < 50%. See Table 6. Note that the CE.x-2 well does not reach the bottom of Vaca Muerta.

Net pay oil excluding kerogen for each para-sequence is listed in Table 7.

Well	Logs	Comments
CVo.x-2	Array Induction, Density, Neutron, Dipolar Sonic, Spectral Gamma Ray, Magnetic Resonance	Other logs not used in evaluation: Borehole Image, Elemental Capture Spectroscopy
CVo-x1	Array Induction, Density, Neutron, Sonic, Gamma Ray	CNL miscalibrated from 1860 to 1969 m - had to be shifted -5 p.u. - No density-neutron logs from 1849 to 1860 m
CE.x-2	Dual Induction - Sonic - Gamma Ray	Logs do not reach Vaca Muerta base (about 100 meters below TD)
OA.x-1	Dual Induction - Sonic (no GR)	
OA.x-2	Dual Induction, Density, Sonic, Gamma Ray	Patched bad ILD readings at 1846-1852 & 1880-1900. Bad GR calibration, had to be normalized
SD.x-1	Dual Induction - Sonic (no GR)	Bad induction log, readings top at 30 ohm.m, produces underestimation of TOC in the lower section of Vaca Muerta
ZN.x-2	Dual Induction, Sonic, Gamma Ray	
CAz.x-1	Dual Induction, Density, Neutron, Sonic, Gamma Ray	Anomalous induction, density and Neutron logs.

Table No. 4. Available logs.

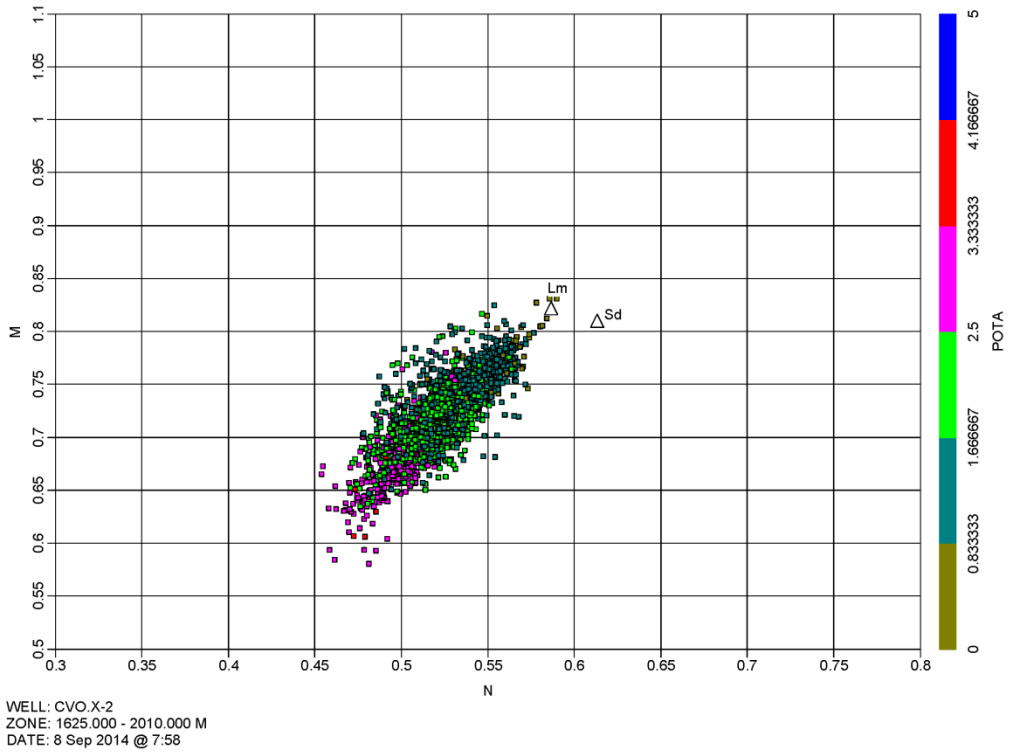


Figure No. 20. M-N plot Vaca Muerta formation.

		Top	Base	Average TOC
CVo.x-1	PPS4	1616	1725.1	1.63
	PPS3	1725.1	1811.9	1.00
	PPS2	1811.9	1912.4	1.54
	PPS1	1912.4	1969	2.94
CVo.x-2	PPS4	1629.5	1738.5	1.35
	PPS3	1738.6	1810.2	1.03
	PPS2	1810.2	1947	1.48
	PPS1	1947	2010	2.68
OA.x-1	PPS4	1456.5	1615	0.88
	PPS3	1615	1696	1.19
	PPS2	1696	1816	1.48
	PPS1	1816	1875	2.92
OA.x-2	PPS4	1500.8	1632.4	1.27
	PPS3	1632.4	1746.4	0.94
	PPS2	1746.4	1849.9	1.45
	PPS1	1849.9	1906	2.61
SD.x-1	PPS4	1517.3	1551.7	1.32
	PPS3	1551.7	1647.1	0.99
	PPS2	1647.1	1813.2	1.88
	PPS0	1813.2	1873.4	2.21
	PPS1	1873.4	1944.3	3.16
CAz.x-1	PPS4	948.5	1097	0.48
	PPS3	1097	1229.7	0.66
	PPS2	1229.7	1446.3	0.86
	PPS1	1446.3	1534	1.51
ZN.x-2	PPS4	1258.2	1324.2	0.47
	PPS3	1324.2	1410.8	0.79
	PPS0	1410.8	1574.1	1.16
	PPS1	1574.1	1684	2.03

Table No. 5. Average TOC in each para-sequence.

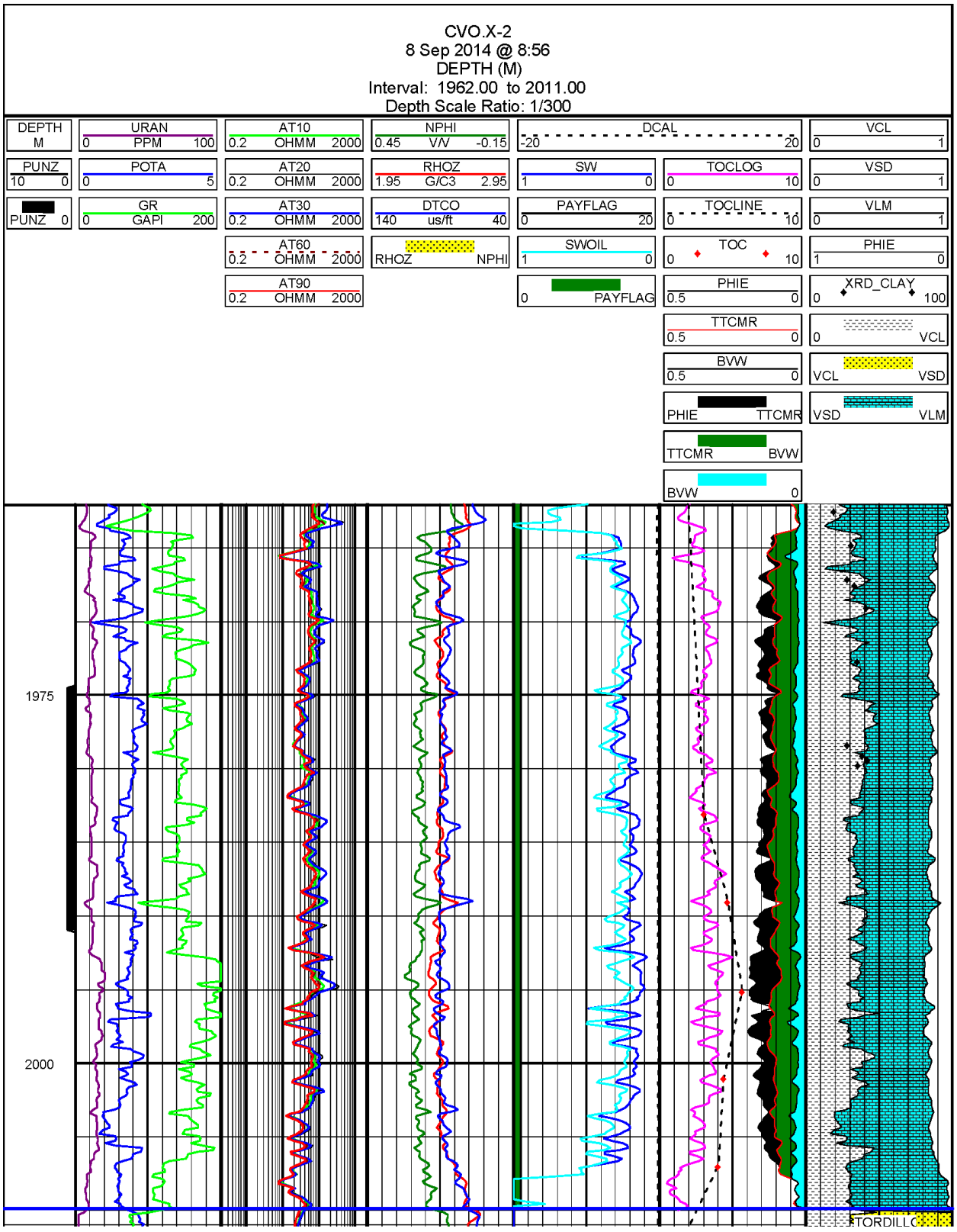


Figure No. 21. Computed log interpretation of lower section of Vaca Muerta. On the porosity track, black is kerogen, dark green is movable oil.

	Top	Base	Thickness (m)	Reservoir thickness (m)	Average porosity reservoir	Pay thickness (m)	Average porosity pay	Average w ater saturation pay
CVo.x-1	1625	1969	344.0	101.4	9.0	78.8	9.4	32.3
CVo.x-2	1633.0	2010.0	377.0	158.6	8.7	98.8	9.6	34.5
CE.x-2	1473.0	1730.0	257.0	15.9	7.0	12.8	6.9	37.9
OA.x-2	1512.0	1907.0	395.0	281.9	8.1	105.3	7.7	37.6
ZN.x-2	1321.0	1684.0	363.0	290.7	11.6	112.8	11.1	38.7
CAz.x-1	1042.0	1534.0	492.0	263.2	8.2	52.0	8.6	40.7

Table No. 6. Net pay oil (excluding kerogen).

		Top	Base	Espesor (m)	Reservoir thickness (m)	Average porosity reservoir	Pay thickness (m)	Average porosity pay	Average Sw pay
CVo.x-1	PPS4	1616	1725.1	109.1	6.0	7.4	2.1	7.4	39.5
	PPS3	1725.1	1811.9	86.8	0.8	6.9	0.0		
	PPS2	1811.9	1912.4	100.5	45.3	8.7	28.9	9.2	38.2
	PPS1	1912.4	1969	56.6	49.3	9.6	47.8	9.7	28.6
CVo.x-2	PPS4	1629.5	1738.5	109	35.1	7.6	13.6	8.1	40.6
	PPS3	1738.6	1810.2	71.6	15.9	6.9	2.1	6.9	47.1
	PPS2	1810.2	1947	136.8	56.4	8.5	37.2	9.2	38.6
	PPS1	1947	2010	63	51.4	10.2	45.9	10.4	29.7
OA.x-2	PPS4	1500.8	1632.4	131.6	105.7	8.6	24.1	7.5	41.9
	PPS3	1632.4	1746.4	114	70.8	7.9	7.1	7.1	41.6
	PPS2	1746.4	1849.9	103.5	56.9	7.6	30.4	7.6	40.6
	PPS1	1849.9	1906	56.1	48.5	8.0	43.7	8.0	32.7
CAz.x-1	PPS4	948.5	1097	148.5	43.7	8.0	0.0		
	PPS3	1097	1229.7	132.7	79.8	8.2	3.6	8.1	44.8
	PPS2	1229.7	1446.3	216.6	106.7	8.1	20.2	8.1	44.2
	PPS1	1446.3	1534	87.7	33.0	8.9	28.2	9.0	38.0
ZN.x-2	PPS4	1258.2	1324.2	66	0.8	11.9	0.0		
	PPS3	1324.2	1410.8	86.6	71.5	12.9	0.2	14.9	49.3
	PPS0	1410.8	1574.1	163.3	125.4	11.4	39.1	10.9	39.7
	PPS1	1574.1	1684	109.9	93.0	10.8	73.5	11.1	38.1

Table No. 7. Net pay oil (excluding kerogen) in each para-sequence.

Geophysics

Seismic Sequence Interpretation System (SSIS)

The "Seismic Sequence Interpretation System" (SSIS) is a proprietary technology, part of the OpendTect program, which was applied to the two 2D seismic lines that intersect the Cvo.x-2 well (Fig. 26). The purpose of this pilot project was to test if this recent seismic processing technique was able to recognize the detailed geometry of sedimentary bodies within the Vaca Muerta section, at the same scale identified by well log sequence stratigraphy and wellbore image. If that was the case, then, the integration of events of analogous vertical scale identified by the three independent techniques could be mapped areally using seismic data. Currently, only 2D seismic data is available in this part of the block, but once 3D seismic data is acquired, a three-dimensional model of the potential Vaca Muerta producing facies can be generated.

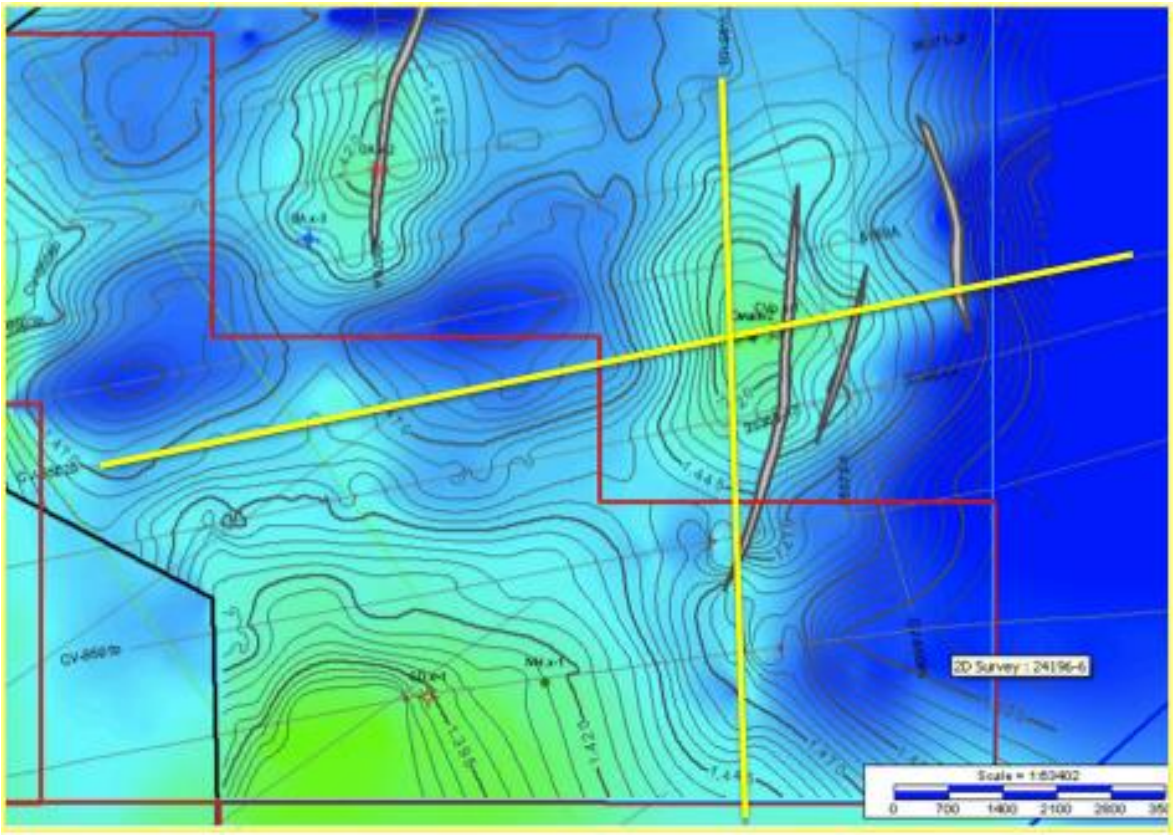


Figure No. 26. Map showing the location of the two seismic lines that intersect the Cvo.x-2 well, that were processed with the SSIS program.

Fig. 28 is a regional seismic line, located at the center of the Neuquén Basin, which shows a series of events generated by the SSIS program within the Vaca Muerta section. The geometries of these events can be related to stratification patterns, which, in turn, can be related to geological facies (Fig. 29).

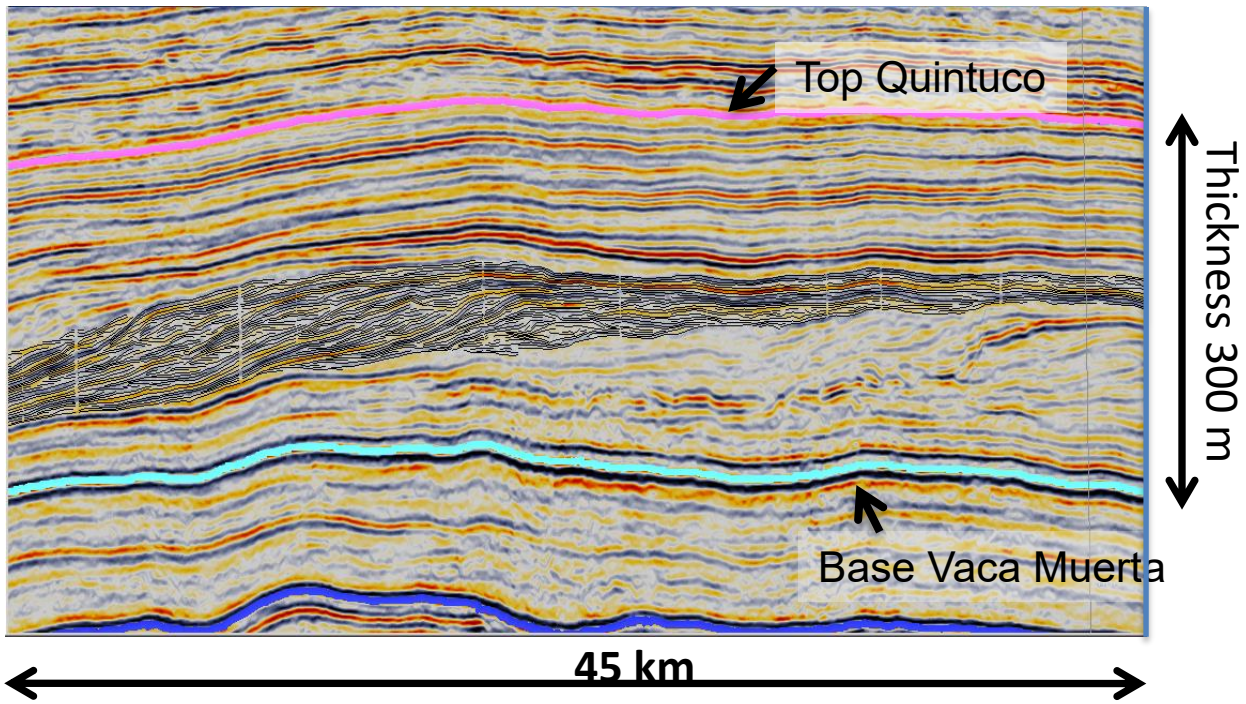


Figure No. 28. Regional seismic section, showing events traced by the SSIS program within the Vaca Muerta Fm.

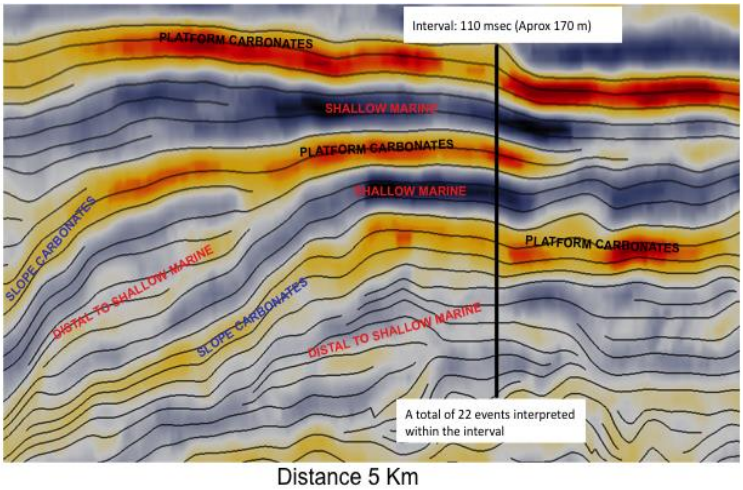


Figure No. 29. Close Up of geometries of SSIS events and their relationship with stratification patterns and geological facies.

Results

Integration of seismic processing and well log sequence stratigraphy show a complex geometry of sedimentary wedges that thin in alternating directions (Figs. 18, 19, 30 and 31), indicating that there were various sediment sources in the area during Vaca Muerta deposition. There is a first order cycle, the PPS0, located between the PPS1 and PP2, which is identified at the ZN.x-2 and SD.x1 wells, but does not extend to the north. Main faults acted as partial barriers to sedimentation and were episodically reactivated (Fig. 31). The orientation of main, regional, faults is N-NE-S-SW.

These findings show to which extent the homogeneous, "layer-cake" depositional model of Vaca Muerta does not apply to this area, and that exploration of this unconventional target requires 3D seismic data with special processing and complete sets of well logs to be integrated into a predictive model.

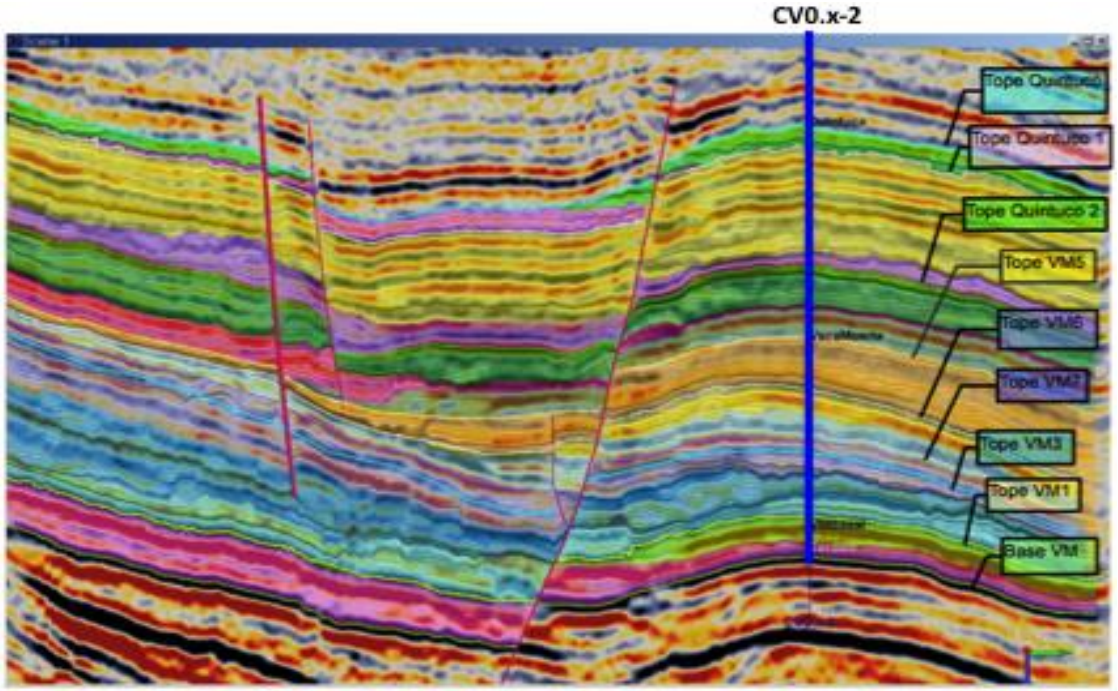


Figure No. 30. N-S oriented 2D seismic line, showing the 280 identified events. Colored sedimentary bodies thin in alternative directions, indicating a variation in sediment supply direction and episodic tectonism during Vaca Muerta time. (N to the right). Labels of reflectors are purely nominative and have no stratigraphic significance. Cvo.x-2 well drawn vertical for simplicity.

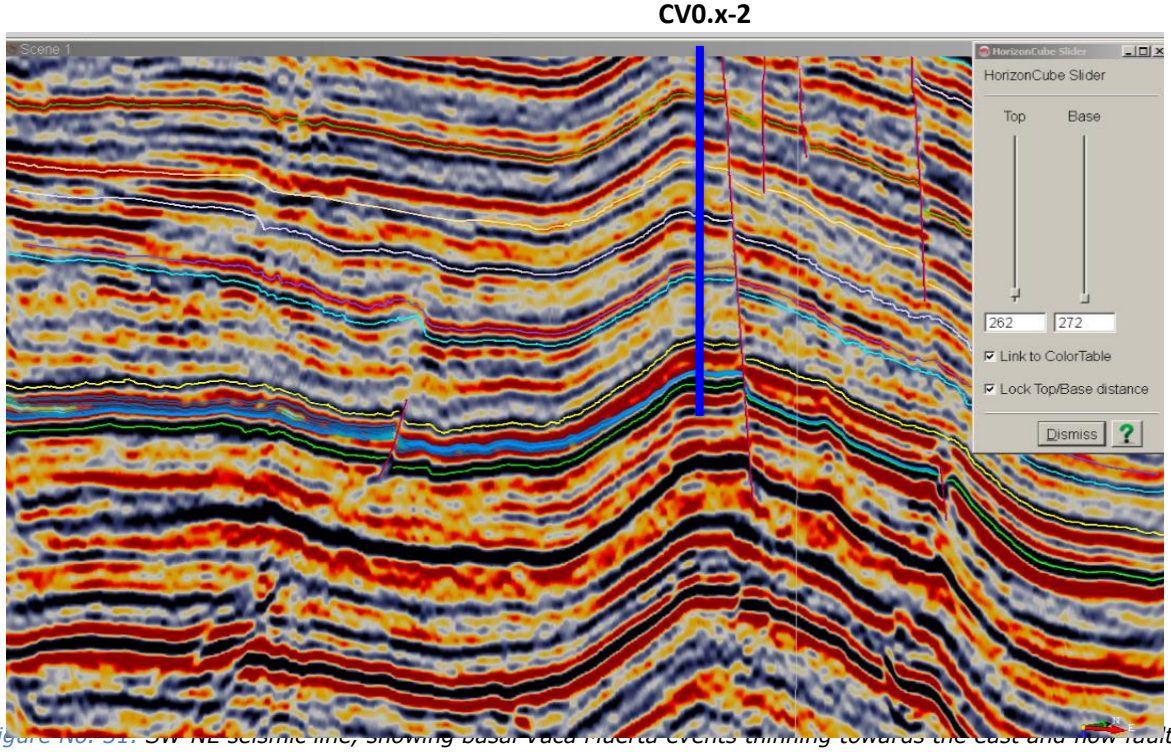


Figure No. 31: SW-NE seismic line, showing basal Vaca Muerta events thinning towards the east and how faults influenced sediment distribution.

Preliminary Conclusions

The Cvo.x-2 well confirmed that the Bajo Guanaco Block is within the mid-late oil window, producing oil of light nature: 38.4° API; its associated gas is rich, with a calorific value of 11,300 Kcal/m^3.

Well log sequence stratigraphy was applied at the calibration Cvox-2 well, which has a complete set of conventional and special logs, as well as core data. Then, the GR, resistivity and DT logs were used for correlation with the rest of the wells. The basal section of the Vaca Muerta Fm. (PS1 to PS4 para-sequence sets) is the richest (TOC content of 2% and up to 8%) and is fairly constant in thickness (approximately 100 m). The maximum flooding surface (MFS) and its corresponding condensed section at Cvo.x-2 is very close to the base of Vaca Muerta, within the PPS1 major cycle. Petrophysical analysis of the existing wells indicates that the rich basal section of Vaca Muerta has a fairly constant net pay oil (excluding kerogen) of approximately 100 m.

Interpreted structures from the borehole electric image are generally small, mainly 12 reverse faults with throws that range from 4 to 30 m, while another 27 faults with throws equal to or less than 1 m may be strike-slip due to drag. Highest fault density occurs between 1800 and 1895 m.

The two 2D SSIS processed seismic lines show a complex geometry of sedimentary wedges thinning in opposite directions, which indicate multiple source directions during Vaca Muerta deposition. They also show that faults-controlled sediment distribution.

The vertical high resolution of the SSIS seismic processing allows integration with the scale of events observed with both, the borehole electric image and the para-sequence and para-sequence sets derived from well electrofacies. This is an encouraging result, because it will allow mapping of the best facies within the different sedimentary bodies identified at Cvo.x-2, the calibration well.

Well log sequence stratigraphy, borehole electric image and SSIS processed seismic data show a high degree of heterogeneity for Vaca Muerta, vertically and horizontally.

To develop a "predictive" model of exploration for this unconventional target it requires good quality 3D seismic data with special processing (seismic attributes, SSIS), and complete sets of conventional and special well logs.

Current work involves calibration and integration among the events identified by the SSIS processing and the sedimentary bodies interpreted from the borehole electric image and the para-sequence and para-sequence sets derived from well log for its mapping through the currently existing 2D seismic grid.

3.7 Related party transactions

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

3.8 Bussiness critical contracts

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

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

With regard to the Altair block, Interoil is the operator and holds 100% of the title to this exploration block, subject to a 10% option to participate in each project granted to Eraso Valencia. The Company was required to drill one well by April 27th, 2021 but due to some technical differences within the ANH, drilling has been postponed until an agreement is reached with the ANH. Interoil has entered into a participation agreement with SLS and Quantum Resources, both Colombian companies, whereby Interoil shall assume 50% of the investment costs for the drilling of the well and SLS and Quantum Resources shall provide the funding of the remaining 50%. Should the well result in a dry well each party shall bear the respective losses and the Company shall have no liability whatsoever to SLS or Quantum Resources for reimbursement or compensation of invested amounts. If the drilling results in a discovery, 100% of the production shall initially be allocated to repay the investments made by each party and once such repayment is done, the future production shall be allocated among the parties in accordance with their respective working interests (WI) of 22% for SLS/Quantum Resources and 78% for Interoil. Drilling of the well shall be made pursuant to a drilling agreement to be entered into by Interoil, who shall at all times continue to be vested with 100% of the title to the block and shall remain operator under the license. Satisfaction of the pending commitment shall require completion of the undertakings and obligations of Interoil and SLS and Quantum Resources under the participation agreement as well as of the company that shall perform the drilling of the well. No assurance can be given that any such obligations shall be met in full as and when required to meet Interoil's obligations vis-à-vis the ANH.

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

The final exploration phase at LLA-47 ends on March 28, 2023 and the production phase ends 24 years after a commercial declaration of a well is made before the ANH. To keep LLA-47 until the end of the exploration phase, Interoil must: (1) conduct the activities committed for the first and second exploration phase (of which the drilling of nine exploration wells are pending), and (2) have in place bank guarantees -with the possibility of partially providing an insurance- in respect of the required amounts (already fulfilled).

According to the LLA-47 exploration contract, Interoil is required to drill nine more exploration wells by or before March 28, 2023. From a pure operational standpoint, the timing involved in drilling one exploration well would be around 10 to 15 days (depending on the formation target depth) plus 10 to 15 days to move the drilling rig from one well to the following one should all civil works (access roads and well site location) be ready. Hence material challenges lay on construction work, particularly when building access roads and well site locations, where construction is challenging especially when the Meta River floods the area during the rainy season (May-November). Once roads and well site locations are built, then operations can run 7/24 (seven days a week – 24 hours a day) where trucks would bring equipment and material as well as take any oil production for sale. In addition, each drilling and related construction are subject to a previous mandatory engagement with local communities aimed at informing the affected communities and securing the local acceptance for the project.

Interoil has entered into a participation agreement with SLS and Quantum Resources for the drilling of two wells (Jaca.x-1 and Tero.x-1 or Viscacha.x-1), subject to the obtainment by Interoil of the required funding. Under such farm-out agreement Interoil shall assume 40% of the investment costs for the drilling of the wells and SLS and Quantum Resources shall provide the funding of the remaining 60%. In exchange, SLS and Quantum shall gain a 22 percent equity interest in any production flowing from any of these wells against. 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 Driill. Drilling of the wells shall be made pursuant to a drilling agreement to be entered into by Interoil, who shall at all times continue to be vested with 100% of the title to the block and shall remain operator under the license. Satisfaction of the pending commitment shall require completion of the undertakings and obligations of Interoil and SLS and Quantum Resources under the participation agreement as well as of the company that shall perform the drilling of the well. No assurance can be given that any such obligations shall be met in full as and when required to meet Interoil's obligations vis-à-vis the ANH.

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

Interoil is the operator and holds a 70% interest in the Puli C block through a contract with Ecopetrol, who retained the remaining 30%. In March 2020, 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 issue a "cash-call" to Hocol for the 30% participation interest to cover the approved fieldwork. This approval process takes place through Operating Committee Meetings (OCM) every month for the months ahead. Failure in the pre-approval process could expose Interoil to be the sole responsible in financing 100% of the work program. Likewise, prior to the end of every year, Interoil is required to prepare a budget for the following year that must be approved by Hocol. Interoil must operate the fields in accordance with the approved budget. Should a budget operation exceed by 10% its approved value then Interoil runs the risk of fully funding 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 the operator could adversely affect Interoil.

In Argentina, Interoil holds different participating interests, including minority interests, in exploitation concessions and exploration contracts, has the right to act as an operator (upon authorization of the Governmental authorities) in all the blocks and pending its formal appointment as operator maintains an activie role in the operations. In all such contracts and concessions, other parties also hold participating interests. Interoil and other parties are parties under joint operating agreements or joint agreements governing their relationship. The contracts and concessions impose obligations on the parties to provide their contributing share in the funding of common expenses for joint operations. Expenses are subject to approval by the parties before the work fieldwork 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 execution 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, the failure of a party to provide the required funding may also affect the operations and the satisfaction of obligations as and when due and may adversely affect also other parties, including Interoil, irrespective of whether such parties have discharged its obligations properly. This risk is higher where Interoil holds a minority participating interest It was it is the case of the SC concessions. Upon formal appointment by Interoil as operator under the relevant joint operation agreements a failure of the operator to discharge its obligations as and when required may expose such operator to liabilities and possible removal. No assurance can be given that any such obligations under the concessions, contracts and joint operating agreements shall be met in full as and when required and that any possible infringement may not result in material adverse consequences for the Company.

Other than as set out above, the Company has not entered into any business critical contracts, other than contracts entered into in the ordinary course of business, to which the Company is a party, for the three years immediately preceding publication of this Prospectus as well any other contract (not being a contract entered into in the ordinary course of business) entered into by the Company which contains any provision under which the Company has any obligation or entitlement that is material to the Company as at the date of this Prospectus.

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

3.9.1 Overview

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

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

3.9.2 Market risks

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

such operators in respect of properties in which Interoil has an interest may result in delays, losses or increased costs for the Company.

3.9.2.1 Commodity price volatility

Both oil and natural gas prices are unstable and subject to fluctuation. For example, in 2020, oil prices dropped significantly due to the Covid-19 pandemic but from March, 2022 prices went up as a result of the conflict between Ukraine and Russia, two events that changed drastically the market conditions Interoil's results of operations are significantly affected by prevailing oil and gas price levels, and any material decline in prices could result in a reduction of the Company's net production revenue and overall value, potentially leading to write-downs. Further, the economics of producing from some of the Company's wells and assets may change as a result of lower prices which may result in a reduction in the volumes of the Company's reserves. Lower prices may also cause production in certain wells to become financially unviable, which in turn may lead to Interoil electing not to produce from such wells. Any of the aforementioned could result in a material decrease in the Company's net production revenue and overall value.

3.9.2.2 Political and regulatory risk

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

3.9.2.3 The impact on the environment from operations

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

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

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

3.9.2.5 Legal proceedings, disputes and investigations.

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

3.9.2.6 Changes in market conditions resulting from Covid-19 pandemic and ongoing Russia-Ukraine conflict

The Company has been adversely affected by the impact of the Covid-19 pandemic in the oil and gas markets, especially during 2020 and 2021. Such adverse consequences included dramatic fall of demand and price, operational bottlenecks, contractual defaults or delays in performance, deficiencies in workforce availability, transport difficulties, among others. Operations and progress in exploration plans have also been affected by the pandemic, particularly with regard to the processes of community approval in Colombia for drilling projects, as well as for social unrest ensuing negative impact of the restrictions in local economies. As vaccination for Covid-19 programs were implemented, health conditions and activities are improving but the problem is not completely eradicated. With vaccination the worldwide economy has slowly recovered and energy markets improved towards the second half of last year to rallying after the Russian – Ukraine escalate since the first quarter of the year and up to these days. While Governmental Covid-19-related measures adopted in Colombia and Argentina only partially offset the negative effects of the pandemic, current market prices resulting from the improvement of economic conditions and the impact of the Russian-Ukraine conflict have helped to strengthen Company's overall figures. No assurance can be given

that the Company shall not be affected by the adverse consequences of the pandemic or by the deterioration of its effects and/or by the development of the Russian-Ukraine conflict.

3.9.3 Operational risks

There are risks associated with the operations (downhole and surface equipment, drilling, pulling, work over, treating) when exploiting and/or exploring for oil and natural gas in any acreage, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, craterings, sour gas releases, fires and spills. Reduced revenues or losses resulting from the occurrence of any of these risks could have a material adverse effect on the Company and its future results of operations. The Company may become subject to liability for pollution, blow-outs or other hazards. The Company has insurance with respect to these hazards; however, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. The payment of such liabilities could reduce the funds available to the Company or could, in an extreme case, result in a total loss of its properties and assets. Moreover, there can be no assurance that the Company will be able to maintain adequate insurance in the future at rates that are considered reasonable. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including premature decline of reservoirs and the invasion of water into producing formations.

The Company could become responsible for costs associated with complying with new environmental regulations, and abandoning and reclaiming wells, facilities and pipelines which it uses for production of its oil and gas reserves. Abandonment and reclamation of its current facilities and the costs associated therewith is often referred to as "decommissioning". In accordance with IFRS, the Company has established a reserve for the estimated costs of reclaiming its properties. Should the estimates of the costs of decommissioning exceed the value of the reserve remaining at any particular time to cover such decommissioning costs, the Company may have to draw on funds from other sources to satisfy such expenses. The use of other funds to satisfy such decommissioning expenses could have a material adverse effect on the financial position and future results of the operations of the Company.

3.9.3.1 The Company's oil and natural gas production may vary significantly from reported reserves

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

3.9.3.2 The Company may not be able to discover new reserves

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

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

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

3.9.3.4 Licenses, permits, concessions and authorizations

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

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

3.9.3.5 Joint Venture structure and minority participation

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

4 INFORMATION ON THE SHARE ISSUE AND THE OFFER SHARES

4.1 Purpose and background for the Share Issue

The purpose of the Share Issue is to enable the Company to carry out the activities for the organic and inorganic growth described herein.

Accordingly the net proceeds of the sale of the Offer Shares shall be used to partially fund the works to be made in the Santa Cruz concessions to increase oil and gas production and to improve product marketability, as well as to fund the activities planned for MMO in Chubut and La Brea in Jujuy. In addition such funds shall also be used to allow and partially fund the exercise of the option for the acquisition of an increase participation in the Santa Cruz concessions and the well repairment contemplated with regard to Bajo Guanaco in Neuquén.

The net proceeds from the sale of the Offer Shares in the Share Issue are expected to be up to approximately NOK 30,000,000, assuming full subscription of the Share Issue.

4.2 Conditions for completion of the Share Issue

The completion of the Share Issue is subject to the corporate resolutions of the Company required to implement the issue of the Offer Shares, including the annual general meeting to be held on 29 June 2022 resolving to grant the Company's board of directors with an authorization to increase the Company's share capital and the Company's board of directors resolving to consummate the Share Issue and allocate the Offer Shares. Applicants acknowledge that the Share Issue will be cancelled if the Conditions are not fulfilled, and may be cancelled by the Company in its sole discretion for any other reason. The Company will not be liable for any losses if the Share Issue is cancelled, irrespective of the reason for such cancellation.

4.3 Number and type of securities offered

Up to 23,076,923 Offer Shares will be issued based on the received applications by the Company during the Application Period. The Offer Shares are ordinary Shares in the Company, and will be registered in the VPS in book-entry form.

4.4 Rights attached to the Offer Shares

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

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

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

4.5 ISIN

The Offer Shares issued in the Share Issue following the end of the Application Period will be registered under the same ISIN as the Company's other Shares (i.e. ISIN NO 0010284318).

4.6 Offer Price

The subscription price per Offer Share is NOK 1.3.

4.7 Proceeds and costs related to the Share Issue

Assuming the Share Issue us fully subscribed, the gross proceeds from the sale of the Offer Shares in the Share Issue are expected to be approximately NOK 30,000,000, with expected net proceeds of approximately NOK 28,500,000, based on the estimated total transaction costs of approximately NOK 1,500,000 related to the Share Issue.

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

4.8 Eligible applicants in the Share Issue

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

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

4.9 Minimum and maximum application in the Share Issue

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

4.10 Allocation and resolution to issue the Offer Shares

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

Allocation of the Offer Shares will take place on or about 4 July 2022. Information of allocation and payment instructions will be sent to the applicant on or about 5 July 2022 by way of notification through VPS a notification issued by the Company.

The resolution to issue the Offer Shares is expected to be made by the Company's Board of Directors on or about 4 July 2022. The issuance of shares is conditional upon the Company's annual general meeting to he held on 29 June 2022 granting the Company's Board of Directors with an authorisation to increase the Company's share capital.

4.11 Application Period

The Application Period will take place from 16 June 2022 at 09:00 (CEST) to 1 July 2022 at 16:30 hours (CEST). The Company reserves the right to shorten or extend the Application Period at any time and at its sole discretion, but the Application Period will in no event be extended beyond 10 July 2022 at 16:30 (CEST). In the event of a shortening or an extension of the Application Period, the other dates related to the Share Issue may be amended accordingly. Further, the Company reserves the right to cancel the Share Issue, or reduce the number of Shares to be issued through the Share Issue.

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

retail@dnb.no

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

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

4.12 Payment and delivery of the Offer Shares

The payment for Offer Shares allocated to an application falls due on 7 July 2022 (the "**Payment Date**"), subject to any shortening or extensions of the Application Period, and any further settlement details will be stated in the Notification. By applying for shares in the Private Placement, subscribers having a Norwegian bank account irrevocably authorise DNB Bank ASA (the "Settlement Agent") to debit the bank account specified in the Application Form for the subscription amount payable for the Offer Shares allocated to the applicant. The Settlement Agent is only authorised to debit such account once, but reserves the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date. The applicant furthermore authorises the Settlement Agent to obtain confirmation from the applicant's bank that the applicant has the right to dispose of the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in an applicant's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the

applicant, the applicant's obligation to pay for the Offer Shares will be deemed overdue. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the subscriber must contact the Settlement Agent (DNB Bank ASA) on telephone number +47 23 26 80 20 for further details and instructions.

The Allocated Shares will be delivered to the Applicant's VPS account as soon as practicable after full payment has been received and the Conditions (as defined below) have been met.

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

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

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

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

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

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

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

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

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

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

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

4.14.1 Overview

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

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

4.14.2 Financial risks

4.14.2.1 Indebtedness

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

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

4.14.2.2 Defaults and insolvency of subsidiaries

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

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

4.14.2.3 Currency risk

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

4.14.2.4 Shareholders not participating in future offerings may be diluted.

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

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

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

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

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

4.15 Governing law and legal venue

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

APPENDIX A:

ARTICLES OF ASSOCIATION OF INTEROIL EXPLORATION AND PRODUCTION ASA

§ 1

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

§ 2

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

§ 3

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

§ 4

The company's share capital is NOK 91,081,064.50, divided into 182,162,129 shares, each with a par value of NOK 0.50. The shares shall be registered in the Norwegian Central Securities Depository.

§ 5

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

§ 6

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

§ 7

The company shall have a nomination committee, elected by the general meeting. The nomination committee's task is to submit a recommendation to the general meeting regarding election of members to the board of directors. The chair of the board shall, without having voting rights, be summoned to at least one meeting of the nomination committee before it issues its final recommendation. The nomination committee shall consist of three members. A minimum of two of the members shall be shareholders or representatives of shareholders and independent of the board of directors and the executive management. The nomination committee's members are elected for two years at a time.

§ 8

The annual general meeting shall consider and pass resolutions on the following matters: 1. Approval of the annual accounts and the annual report, including distribution of dividends. 2. Other matters which pursuant to law or the articles of association pertain to the general meeting.

§ 9

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

APPENDIX B:

FINANCIAL ANALYSIS OF THE UPCOMING INVESTMENTS

Product	Location	Monthly Production (in boepd)	CAPEX (in mUSD)	Monthly Revenues (mUSD)	OPEX (in mUSD)	Net Result (in mUSD)	Annual net result	Pay back (in month)
Gas	Covunco	900	300	177	35	141	1.695	3
	SCS	872	600	177	35	141	1.695	5
OIL	MMO	300	3300	495	173,25	322	3.861	11
	SCS	300	1100	495	173,25	322	3.861	4
Total		2.372	5.300	1.343	417	926	11.112	

The incremental production shows a fast CAPEX recovery in all of the locations where the company plans to apply the working programme.

Oil in Argentina is going up and shows a fast growth after the conflict in Ukraine.

Gas market in Argentina is going down in terms of production due to the lack of investments in the last 10 years and, as a result, the prices have captured this situation especially from the end of Q1 2022.

The Argentina Government started working on this matter issuing on May 27th 2022 the Decree 277/2022 which provides advantages to oil & gas industries favouring new investments and allowing the uses of the incremental revenues to be applied on it and payments abroad.

APPENDIX C:

FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020, AND FOR THE QUARTER ENDED 31 MARCH 2021

The Companys's audited annual financial statements as of and for the years ended 31 December 2021 and 2020, and the Company's unaudited interim financial statements as of and for the quarter ended 31 March 2022, are incorporated by reference to this Appendix C of this Prospectus, cf. Section 7-3(1d), (2) and (3) of the Norwegian Securities Trading Regulation.

Unaudited interim financial statement as of and for the quarter ended 31 March 2022:

https://ml-eu.globenewswire.com/Resource/Download/d0fdcc0c-acaa-4545-a897-36911b1ef84e

Audited annual financial statement as of and for the year ended 31 December 2021:

https://ml-eu.globenewswire.com/Resource/Download/62caccfc-cd3a-4586-9b13-30b3df4e3dfc

Audited annual financial statement as of and for the year ended 31 December 2020:

https://ml-eu.globenewswire.com/Resource/Download/3aae2cd9-93eb-4957-9e46-fd58e5699c3e

APPENDIX D:
APPLICATION FORM FOR THE SHARE ISSUE

APPLICATION FORM FOR SHARE ISSUE IN INTEROIL EXPLORATION AND PRODUCTION ASA

To be returned to: retail@dnb.no

Please specify the NOK amount of Offer Shares applied for.

Offer price per share:	NOK amount applied for
NOK 1.3	

On the terms and conditions set forth in the national prospectus published by Interoil Exploration and Production ASA dated 14 June 2022 (the "**Prospectus**"), the undersigned applicant (the "**Applicant**") hereby confirms the Applicant's request to subscribe for Offer Shares as stated above if issued by the Company. The Applicant further confirms that (i) the Applicant has read and understood the Prospectus, (ii) no due diligence (neither legal, financial, commercial nor technical) has been carried out by any party in connection with Share Issue, (iii) the investment in the Offer Shares is made solely at the Applicant's own risk, (iv) the Applicant is not subscribing for or purchasing Offer Shares, either on the Applicant's own account or for the account of others, in contradiction to the selling and transfer restrictions included in the Prospectus, and (v) the Applicant irrevocably authorises the Chair of the Board (or someone appointed by him), to subscribe for any Offer Shares allocated to the undersigned Applicant.

Application date and place
Must be dated in the Application Period

Binding signature
The Applicant must have legal capacity. When signing by authorisation, documentation in form of company certificate or power of attorney must be enclosed

INFORMATION ON THE APPLICANT – ALL FIELDS MUST BE COMPLETED

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

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

Interoil Exploration and production ASA
Ruseløkkveien 14
N-0251 Oslo, Norway
www.interoil.no