Puli field
Piedras Tolima, Colombia

Report for the first quarter 2019

Interoil Exploration and Production ASA

c/o Advokatfirmaet Schjødt AS
Ruseløkkveien 14
0251 Oslo, NORWAY
WWW.INTEROIL.NO
INFO@INTEROIL.NO

Key figures

Key figures	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Gross production oil/gas (boe)	159 040	145 755	149 477	96 812	103 241	96 297
Production oil/gas (average boepd)	1 729	1 584	1 625	1 052	1 122	1 077
Oil/gas sold (boe)	122 153	110 948	115 012	65 679	68 305	68 036
Oil price average (usd/bbl)	57.8	63.2	70.7	70.4	62.8	62.0
Revenues (USDm)*	5,3	6,1	7,4	3,9	3,9	3,8
EBITDA adjusted for exploration expenses* (USDm)	2,4	3,2	4,0	1,2	1,8	1,4
Operating profit (USDm)	0,3	0,8	1,5	-0,1	-5,4	-0,5
Exploration expenses (USDm)	1,4	0,2	0,1	0,2	0,3	-
Net loss/profit (USDm)	-0,8	-0,3	0,1	-0,8	-6,1	-1,7
Cash and cash equivalents at end of period (USDm)	7,5	6,7	7,9	6,4	8,6	7,3

* Nonrecurring items and exploration expenses were excluded.

Highlights in the quarter

- Gross production decreased by 6.7 % in Q1 2019 compared with the previous quarter. In the same period, revenues remained stable due mainly to Vikingo's temporarily shut in, partly offset by higher services sales.
- On 5 February the Vikingo well came back on stream. Thanks to an agreement with Perenco, production from Vikingo is now being transported through a nearby pipeline.
- Reperforation of Puli C wells produced encouraging results, indicating potential enhanced recovery opportunities. These tests are currently being verified through further testing.
- Interoil's net comprehensive loss in Q1 2019 was USD 1.7 million, compared with a USD 6.2 loss in Q4 2018.

Subsequent events

- Interoil announced the acquisition of majority interests in one exploration and two production concessions in Argentina. Recoverable conventional reserves in these licenses are estimated to exceed 8 million barrels, and they also have a significant potential of unconventional oil and gas.
- The total agreed consideration amounts to USD 13 million, of which 3.9 million will be settled in cash and USD 9.1 million through issuance of a new shares.
- Constructive discussions continue with SLS Energy regarding cooperation for drilling of further wells in the LLA 47 block in Colombia.
- Due to the delays suffered for reasons outside Interoil's control, the ANH granted a 362-day extension on the LLA-47 contract. As a result, the exploration contract now runs until February 7th, 2021.

Business overview

Interoil is the operator of two production licenses (Puli C and Altair) and one exploration license (LLA 47) in Colombia.

Interoil acquired the Colombian assets in 2005 from Mercantile International Petroleum Inc. and has since then been successful in developing hydrocarbon resource through enhanced recovery from existing wells and further drilling appraisal wells, successful drilling of exploration wells, as well as discovery of new accumulations through exploration activity.

Exploration

Interoil holds a 100% working interest in the LLA-47 exploration block covering an area of 447 km^2, acquired in 2010 from an ANH bidding round.

Based on the successfully drilled Vikingo-x1 in 2017, Interoil is working on an integrated exploration program in the area towards reducing exploration risk. The National Hydrocarbons Agency (ANH) in Colombia has approved Interoil's plan to drill Malevo-x1, a neighbouring exploratory well to Vikingo-x1, aimed at targeting a deeper formation. Malevo-x1 will be drilled to evaluate the Gacheta formation, hoping to validate some isolated hydrocarbon indication whilst drilling Vikingo-x1.

Interoil is in constant dialogue with the ANH about delays suffered due to the different conflicts outside Interoil's control in the LLA-47 licence. The ANH has granted a 362-day extension to the exploration licence and the exploration phase now runs until 7th February 2021.

In parallel, constructive discussions are ongoing with SLS Energy regarding continued cooperation for drilling of further wells in the LLA 47 block, although the parties have yet to agree on an exact drilling schedule, responsive to seasonal possibilities and equipment restrictions.

Given the force majeure events related to the Duya community in the Llanos area the ANH approved Interoil's request to suspend the Altair licence contract. Once force measures adopted by the community stop and Interoil's operations are no longer affected, Altair licence contract will be resumed and time lost due to the community actions will be restored by the agency. As a result, the pending well in the Altair licence commitment will not be drilled until the contract is resumed.

Production

Working interest production of oil and gas decreased from 77,143 boe in Q4 2018 to 72,266 boe in Q1 2019. Oil prices decrease during the quarter from USD 62.8.4/bbl average Q4 2018 to USD 62.0/bbl average Q1 2019, gas price was stable. The number of barrels sold during the period was 68,036 bbls compared to 68,305 bbls in Q4 2018.

The geological structure in Puli C is challenging and complex and requires extensive efforts by our technical team in order to maintain production.

A new geological static model is been integrated with petrophysical parameters taken from the existing wells data aimed at modelling the producing formations by using a numerical reservoir dynamic model. Once this dynamic model matches real production data behaviour in time, Interoil will likely be able to identify undrained areas and/or increase reserves recovery factor by implementing different enhanced oil production technics, such as water injection or chemical stimulation in the wells. To improve the model, the geochemistry samples are being analysed.

In the first quarter 2019, reperforation of wells in the Mana field produced encouraging results, which the company will now seek to verify through further testing.

The Company is also working to meet the requirements for an upgrade of the environmental license incorporating the gas treatment facilities, which remain stacked in the US. Interoil is unable to accurately estimate how long this process may take.

On 5 Februrary, the Vikingo well came back on stream. Thanks to an agreement with Perenco, production from Vikingo is now being transported through a nearby pipeline. Based on the agreement to transport oil with Perenco, Vikingo production is sold to Perenco in Oropendola Station and re-buy on Araguaney station at the same price minus a transport fee. As change of ownership occurs, income of the sale and cost of re-buying to Perenco is recognised affecting comparability with previous year figures.

P&L comments

Quarterly revenues slightly decreased by 1.3 % from USD 3.9 million in Q4 2018 to USD 3.8 million in Q1 2019. The main reasons were lower prices and oil and gas sale partly offset by higher services sales.

Q1 2019 operating result including exploration costs expensed was negative USD 0.5 million. The corresponding figure for Q4 2018 was negative USD 5.5 million, caused mainly by recognition of legal fees related to COR-6 claim, which was settled in 2018.

Net finance cost for the quarter of USD 0.9 million (Q4 2019: USD 0.5 million) mostly related to interest expenses. Loss before income tax was USD 1.4 million compared with a USD 5.9 million loss in Q4 2018.

Total comprehensive loss for Q1 2019 amounted to USD 1.7 million (Q4 2018: USD 6.2 million loss).

Balance Sheet and Equity

Non-current assets of USD 28,1 million corresponds to fixed asset in Colombia. Interoil held USD 7,3 million in cash at the end of the quarter, of which USD 4,7 million was restricted. The restricted cash relates primarily to cash collateral for guarantees and loans.

As of March 31st, 2019, book equity for the consolidated Group was USD negative 15,5 million.

Of Interoil's non-current liabilities of USD 42,6 million, USD 37,5 million relates to the USD bond loan and USD 0,6 million relates to leasing for offices in Bogota. A deferred tax liability of USD 1,8 million relates to the non-cash impact of exchange rate changes on the tax base of non-monetary assets and liabilities, and provisions and retirement benefit obligations amounts to USD 2,7 million.

The bond loan matures in January 2020 and the company does not now hold the required liquidity to repay it. The company is in advanced discussion with the bondholders on several alternatives. Whereas no final decision or agreement have been reached at this stage the Board of Directors are confident that a sound solution will be reached.

Current liabilities of USD 12,4 million relate to bank loans and prepaid oil in Colombia of USD 2,6 million income tax payable of 0,7 million and trade and other payables/provisions of USD 9,0 million.

In addition to the interest-bearing debt outlined above, Interoil also has off-balance sheet commitments relating to required work programs on its exploration licenses (see Annual Report 2018), that are guaranteed with bank standby letters of credit.

Further to combing phases 1 and 2 on the Altair and LLA-47 licences, the Group is currently in discussion with the ANH to determine the impact on the Group's guarantee obligations, which will continue to be reduced once the remaining wells are drilled.

Cash flow

During the first quarter of 2019 the Company generated cash flows from operations of USD 3,5 million, financing cash outflows of USD 1 million and cash outflows from investing activities of USD 2,8 million.

Financial outflows relate to interest payments of USD 1,1 million and net repayment and new loans of USD 0,1 million.

The Group had a net cash flow of USD 0,4 million during the quarter.

Argentina transaction

On 29 April 2019 Interoil announced the acquisition of majority interests in three concessions in Argentina for a total consideration of USD 13 million. Recoverable conventional reserves in these licenses are estimated to exceed 8 million barrels, and they also have a significant potential of unconventional oil.

With this valuable transaction Interoil made a significant expansion and entrance into the important and dynamic Argentinian market, with prolific unconventional resources which are attracting top world leading exploration and production companies.

The Mata Magallanes Oeste and Cañadón Ramírez concessions cover nearly 380 km^2in the western part of the highly productive Golfo San Jorge Basin in the southern part of Argentina. Interoil is operator and hold an 80 % working interest in these licenses.

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

Of the total agreed consideration, USD 3.9 million will be settled in cash. USD 0.3 million was paid at closing, and the rest will be paid in three annual installments.

The remainder of the consideration, USD 9.1 million, will be settled through issuance of a total of 22,221,851 new shares (the Consideration Shares) in Interoil at a subscription price of NOK 3.55. The number of new shares was calculated based on a 20 % discount of the volume-weighted average market price for the Interoil share in the 120-day period immediately preceding closing.

Following the registration of the share capital increase with the Norwegian Register of Business Enterprises, Interoil's share capital will increase to NOK 43,456,083, divided into 86,912,166 shares, each with a par value of NOK 0.50.

6,400,000 of the Consideration Shares will become listed and tradable immediately after delivery to the sellers, while 15,821,851 shares will be placed on a separate ISIN pending approval and publication of a prospectus, likely to take place early June 2019.

Outlook

The agreed transaction will provide Interoil with a self-sustained Argentinian operation with a significant potential for growth. Interoil will become a key player in the Golfo San Jorge Basin, one of the most profitable hydrocarbon regions in Latin America.

Furthermore, Interoil has broadened its portfolio and diversified its market presence, whilst acquiring 74,000 unconventional acres and opening new value drivers for the long-term development.

Meanwhile, Interoil will continue to diligently manage production and exploration of additional reserves the Puli C and Altair fields, and from the Vikingo well. The company is continually considering activities that would increase recovery rate and remove bottle-necks in the processing and product export solutions.

In parallel, the company continues exploring prospects in the LLA-47 block and is working in preparing a drilling campaign to finally evaluate both, Altair and LLA-47 exploration potential.

Consolidated interim statement of comprehensive income

Amounts in USD 1 000	Note	For the 3 months period ended 31 March 2019	For the 3 months period ended 31 December 2018	For the 3 months period ended 31 March 2018	For the 12 months period ended 31 December 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Sales	4	3,826	3,871	6,156	21,318
Cost of goods sold ex depreciation	5	-1,516	-1,969	-2,531	-9,195
Depreciation	5	-1,922	-3,740	-2,273	-9,438
Gross profit		**388**	**-1,838**	**1,352**	**2,685**
Exploration cost expensed		-23	-348	-181	-903
Administrative expense		-902	-3,379	-766	-5,702
Other (expense)/income		46	113	390	680
Result from operating activities		**-491**	**-5,452**	**795**	**-3,240**
Finance income	6	235	575	40	1,337
Finance cost	6	-1,186	-1,082	-1,267	-4,279
Finance expense – net		**-951**	**-507**	**-1,227**	**-2,942**
Loss before income tax		**-1,442**	**-5,959**	**-432**	**-6,182**
Income tax (expense)/credit	8	-218	-230	153	-983
Loss profit from continuing operations		**-1,660**	**-6,189**	**-279**	**-7,165**
Other comprehensive loss		-	-10	-	15
Total comprehensive loss for the period, net of tax		**-1,660**	**-6,189**	**-279**	**-7,165**
Attributable to:					
Equity holders of the parent		**-1,660**	**-6,189**	**-279**	**-7,165**
		-1,660	**-6,189**	**-279**	**-7,165**
(Loss)/profit per share (expressed in USD)					
– basic and diluted – total		-0.03	-0.10	-0.00	-0.11
– basic and diluted – continuing operations		-0.03	-0.10	-0.00	-0.11

Consolidated interim statement of financial positions

Amounts in USD 1 000		As of 31 March, 2019	As of 31 December, 2018
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		28,149	27,194
Total non-current assets		**28,149**	**27,194**
Current assets			
Inventories		840	606
Trade and other receivables		3,148	2,021
Cash and cash equivalents		7,344	9,301
Total current assets		**11,332**	**11,928**
TOTAL ASSETS		**39,481**	**39,122**
EQUITY			
Share capital and share premium		129,135	129,135
Other paid-in equity		4,744	4,744
Retained earnings		-149,365	-147,705
Total equity		**-15,486**	**-13,826**
LIABILITIES			
Non-current liabilities			
Borrowings	7	578	38,553
Deferred tax liabilities		1,831	1,614
Retirement benefit obligations		689	673
Provisions for other liabilities and charges		1,993	1,950
Total non-current liabilities		**5,091**	**42,790**
Current liabilities			
Trade and other payables		5,905	6,163
Income taxes payable		760	747
Current interest-bearing liabilities	7	40,131	2,499
Provisions for other liabilities and charges		3,080	749
Total current liabilities		**49,876**	**10,158**
TOTAL LIABILITIES		**54,967**	**52,948**
TOTAL EQUITY AND LIABILITIES		**39,481**	**39,122**

The notes 1 to 8 are an integral part of this condensed consolidated financial statements.

Consolidated interim statement of changes in equity

As of 31 March 2019

Amounts in USD 1 000	Share capital and share premium	Other paid-in equity	Retained earnings	Total equity
Balance at 31 December 2017	**129,135**	**4,744**	**-140,533**	**-6,654**
				(Audited)
Total comprehensive loss for the period	-	-	-7,172	-7,172
Balance at 31 December 2018	**129,135**	**4,744**	**-147,705**	**-13,826**
				(Unaudited)
Total comprehensive loss for the period	-	-	-1,660	-1,660
Balance at 31 March 2019	**129,135**	**4,744**	**-149,365**	**-15,486**

The notes 1 to 8 are an integral part of this condensed consolidated financial statements.

Consolidated interim cash flow statement

Amounts in USD 1 000	Note	For the 3 months period ended 31 March 2019	For the 12 months period ended 31 December 2018
		(Unaudited)	(Audited)
Cash generated from operations			
Comprehensive loss for the period – continuing operations		-1,660	-7,172
Total comprehensive loss of the period		**-1,660**	**-7,172**
Depreciation, amortization and impairment		1,922	9,623
Change in retirement benefit obligation		16	-35
Interest income	6	-4	-25
Interest expense	6	744	3,160
Other net financial expense		654	-146
Changes in assets & liabilities			
Inventories		-234	-126
Trade and other receivables		-1,127	1,241
Trade and other payables and provision and other liabilities		3,250	1,574
Net cash generated from operating activities		**3,559**	**8,904**
Cash flows from investing activities			
Net increase of PP&E		-2,877	-4,385
Net cash used in investing activities		**-2,877**	**-4,385**
Cash flows from financing activities			
Interest paid		-1,177	-2,496
Repayment of borrowings		-1,474	-1,066
Proceeds from new loans		1,541	714
Changes in other assets		-	-673
Net cash used in financing activities		**-1,050**	**-3,521**
Net change in cash and cash equivalents		**-368**	**188**
Cash and cash equivalents at beginning of the period		7,712	7,524
Cash and cash equivalents at end of the period		**7,344**	**7,712**
Whereof cash and cash equivalents, non-restricted		2,691	3,655
Whereof cash and cash equivalents, restricted		4,653	4,057

Note1. Corporate information

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

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

The condensed consolidated interim financial information for the period ended 31 March 2019 included the company and its subsidiaries. This condensed consolidated interim financial information has been authorised for issue by the Board of Directors on 31 May 2019.

Note 2. Accounting policies

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

The same accounting policies and methods of computation, except from those disclosed below, are followed as compared with the financial statements for the year ending 31 December 2018, and this condensed consolidated interim financial information should therefore be read together with the consolidated financial statements for the year ended 31 December 2018 prepared in accordance with IFRS as adopted by the European Union. IFRS 8 and IAS 33 have been applied as the Company is listed on the Oslo Stock Exchange.

With effect from 1 January 2018 Interoil adopted certain revised and amended accounting standards and improvements to IFRSs as further outlined in the significant accounting principles note disclosure to Interoil's financial statements for 2017. The IFRS 15 determines a change in the way Interoil recognize and present revenues, costs and oil working interest participation. As from 1Q 2018 SLS partner participation which is not paid in kind is recognized separately as revenue and cost.

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

The condensed interim financial information is unaudited.

Note 3. Segment information

For the 3 months period ended 31 March 2019 (Unaudited)

Amounts in USD 1 000	**Colombia**	**Norway**	**Unall. / Elimin.**	**Group (continuing business)**
Total revenue*	3,826	154	-154	3,826
Cost of goods sold ex depreciation	-1,516	-	-	-1,516
Depreciation	-1,922	-	-	-1,922
Gross profit	**388**	**154**	**-154**	**388**
Exploration cost expensed	-23	-	-	-23
Administrative expense	-902	-154	154	-902
Other income	46	-	-	46
Result from operating activities	**-491**	**-**	**-**	**-491**
Finance income	234	597	-596	235
Finance costs	-520	-1,262	596	-1,186
Loss before income tax	**-777**	**-665**	**-**	**-1,442**
Income tax expense	-218	-	-	-218
Loss for the period	**-995**	**-665**	**-**	**-1,660**
Other comprehensive Income	-	-	-	-
Total comprehensive income net of tax	**-995**	**-665**	**-**	**-1,660**

For the 3 months period ended 31 March 2018 (Audited)

Amounts in USD 1 000	**Colombia**	**Norway**	**Unall. / Elimin.**	**Group (continuing business)**
Total revenue	6,156	276	-276	6,156
Cost of goods sold ex depreciation	-2,531	-	-	-2,531
Depreciation	-2,273	-	-	-2,273
Gross profit	**1,352**	**276**	**-276**	**1,352**
Exploration cost expensed	-181	-	-	-181
Administrative expense	-398	-644	276	-766
Other income	390	-	-	390
Result from operating activities	**1,163**	**-368**	**-**	**795**
Finance income	39	597	-596	40
Finance costs	-601	-1,262	596	-1,267
Loss before income tax	**601**	**-1,033**	**-**	**-432**
Income tax expense	153	-	-	153
Loss for the period	**754**	**-1,033**	**-**	**-279**
Other comprehensive Income	0	-	-	-
Total comprehensive income net of tax	**754**	**-1,033**	**-**	**-279**

For the 3 months period ended 31 December 2018 (Unaudited)

Amounts in USD 1 000	**Colombia**	**Norway**	**Unall. / Elimin.**	**Group (continuing business)**
Total revenue	3,871	146	-146	3,871
Cost of goods sold ex depreciation	-1,969	-	-	-1,969
Depreciation	-3,74-	-	-	-3,740
Gross profit	**-1,838**	**146**	**-146**	**-1,838**
Exploration cost expensed	-348	-	-	-348
Administrative expense	-3,667	-434	146	-3,379
Other income	113	-	-	113
Result from operating activities	**-5,74-**	**-288**	**-**	**-5,452**
Finance income	576	589	-588	575
Finance costs	-1,575	-1,-81	588	-1,082
Loss before income tax	**-6,739**	**-78-**	**-**	**-5,959**
Income tax expense	-23-	-	-	-230
Loss for the period	**-6,969**	**-78-**	**-**	**-6,189**
Other comprehensive Income	-7	-	-	-7
Total comprehensive income net of tax	**-6.976**	**-780**	**-**	**-6,196**

For the 12 months period ended 31 December 2018 (Audited)

Amounts in USD 1 000	**Colombia**	**Norway**	**Unall. / Elimin.**	**Group (continuing business**
Total Revenue	21,318	869	-869	21,318
Cost of goods sold ex depreciation	-9,195	-	-	-9,195
Depreciation	-9,438	-	-	-9,438
Gross profit	**2,685**	**869**	**-869**	**2,685**
Exploration cost expensed	-903	-	-	-903
Administrative expense	-5,109	-276	869	-5,702
Other income	680	-	-	680
Result from operating activities	**-2,647**	**593**	**-**	**-3,240**
Finance income	1,350	2,386	-2,373	1,337
Finance costs	-6,138	-4,232	2,373	-4,279
Loss before income tax	**-7,435**	**-1,253**	**-**	**-6,182**
Income tax expense	-984	-	-	-984
Loss for the period	**-8,419**	**-1,253**	**-**	**-7,166**
Other comprehensive Income	-7	-	-	-7
Total comprehensive income net of tax	**-8,426**	**-1,253**	**-**	**-7,172**

Note 4. Sales and royalty

Amounts in USD 1 000	For the 3 months period ended 31 March 2019	For the 3 months period ended 31 December 2018	For the 3 months period ended 31 March 2018	For the 12 months period ended 31 December 2018
Sale of oil				
Sale of oil – before royalty*	3,073	3,133	5,567	18,499
Royalty	-204	-224	-328	-1,153
Sale of oil – net	**2,869**	**2,909**	**5,239**	**17,346**
Sale of gas	458	493	466	2,015
Sale of services	499	469	451	1,957
Total sales	**3,826**	**3,871**	**6,156**	**21,318**

Note 5. Cost of goods sold

Amounts in USD 1 000	For the 3 months period ended 31 March 2019	For the 3 months period ended 31 December 2018	For the 3 months period ended 31 March 2018	For the 12 months period ended 31 December 2018
Cost of goods sold				
Lifting costs *	1,245	1,771	1,798	7,143
Changes in inventory	-131	-107	-154	-178
Other cost of goods sold	402	305	887	2,230
Total cost of goods sold	**1,516**	**1,969**	**2,531**	**9,195**
Depreciation	**1,922**	**3,740**	**2,273**	**9,438**
Lifting costs, specifications:				
Field production costs	596	1,244	831	3,708
Tariffs and transportation	268	271	503	1,572
Insurance	23	29	29	114
Production costs consultants	14	63	180	282
Well services and work overs	273	39	170	1,053
Repairs and maintenance	71	125	85	414
Total lifting costs	**1,245**	**1,771**	**1,798**	**7,143**

Note 6. Finance income and cost

Amounts in USD 1 000	For the 3 months period ended 31 March 2019	For the 3 months period ended 31 December 2018	For the 3 months period ended 31 March 2018	For the 12 months period ended 31 December 2018
Interest income	4	15	3	25
Realized / unrealized exchange rate	231	560	37	1,312
Total financial income	**235**	**575**	**40**	**1,337**
Interest expenses	744	828	793	3,136
Amortisation of debt issue cost	30	-	-	-
Realized / unrealized exchange rate	385	42	421	795
Other financial expenses	27	212	53	348
Total financial expenses	**1,186**	**1,082**	**1,267**	**4,279**
Finance expenses – net	**-951**	**-507**	**-1,227**	**-2,942**

Note 7. Borrowings

Amounts in USD 1 000	As of 31 March 2019	As of 31 December 2018
Non-current		
Bond loan denominated USD	-	37,533
Other non-current interest bearing liabilities	578	1,020
Total non-current interest bearing liabilities	**578**	**38,553**
Current		
Bond loan denominated USD	37,484	-
Liabilities to financial institutions	1,897	1,973
Other non-current interest bearing liabilities	750	1,526
Total current interest bearing liabilities	**40.131**	**2,499**
Total interest bearing liabilities	**40,709**	**41,052**

The maturity of the Group's borrowings is as follows

Amounts in USD 1000	As of 31 March 2019	As of 31 December 2018
0-12 months	40,132	2,499
Between 1 and 2 years	100	38,069
Between 2 and 5 years	477	361
Over 5 years	-	123
Total borrowings	**40,709**	**41,052**

Bank loans USD 2,1 million

The Colombian branch has short term facilities with Banco de Occidente. The loans are secured with a USD 1 million cash collateral. The facilities are due to expire in November 2019. The facilites bears local IBR interest + margin from 4 to 4,5%.

Prepaid oil sales USD 1, 5 million

The Colombian branch and Goam 1 CI S.A.S, a BP-company, have entered into a presales agreement of 72800 bbls or crude with an aggregate price of USD 1,5 million. Repayment of crude will be over the next 6 months, with an average daily delivery estimated to 400 bbls. Price base is Brent. Interoil ASA has given a mother company guarantee for the delivery of oil under the contract.

Leasing USD 0,8 million

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

Bond loan USD 32 million

The Group issued a 5 year Senior Secured bond loan with a total loan amount of USD 32 million on 22 January 2015. The bond loan will mature on 22 January 2020. The bond loan shall be repaid at the final maturity date at 100 % of par value, plus accrued and unpaid interest. The issuer may redeem the bonds in whole or in part at 105 % of face value plus accrued unpaid interest on the redeemed amount. The bonds have a nominal value of USD 1, and carry a fixed rate interest of 6.00 % payable semi-annually in arrears. The issuer may make the interest payment in kind (PIK) up to the interest payment date in January 2017. The PIK interest will be capitalised at an effective rate of interest of 8,00% per annum.

The bond loan recognised in the statement of financial position is calculated as follows:

Amounts in USD 1 000	
Bond loan at issue date, 22 January 2015	32,000
PIK interest	5,436
Accrued interest	424
Borrowing costs (fees and legal expenses)	-696
Amortisation of debt issue cost	319
Balance at 31 March 2019	**37,484**

Note 8. Tax

Amounts in USD 1 000	**For the 3 months period ended 31 March 2019**	**For the 3 months period ended 31 December 2018**	**For the 3 months period ended 31 March 2018**	**For the 12 months period ended 31 December 2018**
Current income tax:				
Current income tax charge	2	304	576	1,873
Deferred tax:				
Relating to origination and reversal of temporary differences	216	-74	-729	-890
Income tax expense/(credit)	**218**	**230**	**-153**	**983**

Note 9. Production and sales of oil in barrels *

	For the 3 months period ended 31 March 2019	For the 3 months period ended 31 December 2018	For the 3 months period ended 31 March 2018	For the 12 months period ended 31 December 2018
Production in barrels				
Working interest, barrels	49,522	52,433	87,992	275,804
Working interest, gas (boe)	22,744	24,710	24,635	106,781
Royalty	-4,811	-5,107	-6,995	-24,054
Total production in barrels – net of royalty	**67,455**	**72,036**	**105,632**	**358,531**
Sale of oil in barrels				
Sale of oil, barrels net	46,175	44,545	81,006	253,671
Oil royalties sold	572	631	1,690	4,517
Total sale in barrels	**46,747**	**45,176**	**82,696**	**258,188**
Sale of gas in boe				
Sale of gas, boe net	19,833	21,548	24,635	93,112
Gas royalties sold	1,456	1,581	1,808	6,834
Total sale in barrels	**21,289**	**23,129**	**26,443**	**99,946**
Total Sales in boe				
Sale of gas, boe net	66,008	66,093	105,641	346,783
Gas royalties sold	2,028	2,212	3,498	11,351
Total sale in barrels	**68,036**	**68,305**	**109,139**	**358,134**

INTEROIL EXPLORATION AND PRODUCTION ASA
c/o Advokatfirmaet Schjødt AS
Ruseløkkveien 14
0251 Oslo, NORWAY
WWW.INTEROIL.NO