



## Report for the First quarter of 2023

### Interoil Exploration and Production ASA

c/o Advokatfirmaet Schjødt AS

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| <b>Key figures</b>                       | <b>Q4 2021</b> | <b>Q1 2022</b> | <b>Q2 2022</b> | <b>Q3 2022</b> | <b>Q4 2022</b> | <b>Q1 2023</b> |
|------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Gross production oil/gas (boe)           | 280.139        | 299.283        | 282.047        | 286.975        | 294.220        | 235.539        |
| Gross production oil/gas (average boepd) | 3.045          | 3.325          | 3.099          | 3.119          | 3.198          | 2.617          |
| Net production oil/gas (boe)             | 47.401         | 76.583         | 73.862         | 72.897         | 70.043         | 54.661         |
| Net production oil/gas (average boepd)   | 515            | 851            | 812            | 792            | 761            | 607            |
| Oil price average (usd/bbl)              | 64,9           | 90,5           | 88,8           | 89,1           | 88,3           | 79,0           |
| Revenues (USDm)                          | 3,5            | 5,1            | 5,8            | 4,8            | 3,8            | 2,5            |
| EBITDA                                   | 0,9            | 2,4            | 1,6            | 1,2            | 0,1            | 0,0            |
| Operating profit (USDm)                  | -1,0           | 1,3            | 0,9            | 2,2            | -0,5           | -0,4           |
| Net loss/profit (USDm)                   | -1,0           | 0,1            | 0,8            | 0,9            | -1,6           | -1,2           |

Net production: Represents the percentage of the participating interest corresponding to the company in the different locations.

## Highlights in the period

- Gross production in Q1 2023 decreased 21% compared to Q4 2022.
- In January 2023, the Company timely paid accrued and due interest on its corporate bond.
- Early in February 2023, the Company was notified of the formal approval to its acquisition of the 8.34% participating interests in five concessions in Santa Cruz, Argentina where the Company also serves as operator.
- The Company has worked with the relevant Provincial authorities on the satisfaction of the requirements to restart full activities in the MMO and Cañadón Ramírez fields (Chubut, Argentina) and reopened such fields.

## Subsequent events and current plans

- On May 9<sup>th</sup>, the Company announced the execution of a binding term sheet whereby Interoil and the Argentine company Selva María Oil S.A. (together with Interoil, the “Buyers”) undertake to acquire from Echo Energy Plc 65% of the aggregate interest and assets in and to five exploitation concessions located in the Province of Santa Cruz, Argentina. The Company already owns 8.34% in this exploitation concessions serving as operator thereunder. Selva María Oil served as operator of the joint venture immediately prior to the appointment of Interoil as operator. In furtherance of such announcement, on May 26<sup>th</sup>, 2023 the Company announced the execution a Purchase and Sale Agreement (PSA) for the transaction. Closing of the transaction is expected to occur on June 26<sup>th</sup> 2023 provided that various conditions precedents for such Closing are satisfied or waived.
- As announced in detail in the announcements referred to above, the aforementioned transaction contemplates aggregate consideration to be paid by the Buyers, as follows:
  - A cash consideration of £825,000, payable by means of an upfront payment of £75,000 upon execution of the transaction documents (this payment has been already made), and the balance of £750,000 payable at Closing.;
  - A payment in kind of £400,000 via transfer to Sellers of IOX shares at a subscription price of 1.15 NOK per share, to be made upon Closing;

- Certain contingent payments of up to £500,000 should production from the joint venture exceed from 6,000 boepd;
- Furthermore, the Buyers will enter into a Guarantee Assistance Agreement at Closing to provide a guarantee to cover Echo's remaining 5% interest in the joint venture; and
- Also, as part of the consideration, Interoil shall grant to Echo Energy plc at Closing an option to drill an exploratory well at Campo Nuevo (Maná) Colombia.

Additionally, at Closing Buyers will subscribe Echo shares for an aggregate amount of £ 75,000, at a value of 0.065GBP per Echo share.

Echo will also retain an option to repurchase over a 6 month period from Closing a 5% interest in the joint venture and related assets for a consideration of £ 100,000.

The Transaction allows Interoil to increase its participating interest in the above-mentioned Santa Cruz exploitation (with final participation to be determined at least 3 days prior to Closing) adding a significant number of boepd to its equity production against a convenient consideration payable partly in kind and with limited dilution. The deal also results in an improvement of the joint venture ability to carry out actions for production increase through the incorporation of the former operator of the concessions as a new member of the joint venture, at the same time reducing the participation of Echo to an interest that better suits its current capabilities. The Drilling Option in turn adds opportunities for new exploration in Colombia with no financial commitment by the Company.

The Transaction requires approval at an Extraordinary Shareholders' Meeting of Echo. In the event that Echo fails to obtain the required approval of its shareholders, Buyers may terminate the PSA on that basis and the Sellers shall be required to reimburse to Buyer within 2 business days the upfront payment of £ 75,000 made together with the execution of the PSA plus an amount of £ 60,000. If Sellers fail to make such payment timely, the transfer by Sellers to Buyers of a 10% participating interest in the Exploitation Concessions, the UTE and the Transport Concession and related rights shall be deemed completed.

- The joint venture for Santa Cruz concessions (the UTE) received Government approval to its filing before the Argentine National Secretariat of Energy for an application under the Gas Plan regime (Gas Plan 5.2) promoting gas production. Such approval awards to the UTE a new gas sales contract for prices substantially above those payable under current existing agreements. The new conditional contract under Gas Plan 5.2 (Santa Cruz Sur Basin) shall be entered into with ENARSA (Energía Argentina Sociedad Anónima) and is for production volumes outside of those delivered under the existing gas contracts with industrial clients. The new contract is applicable across all the Santa Cruz concessions and shall be in force from May 2023 to December 2028. The contract structure provides for a base volume and an incremental volume with different prices. Thus, the base volume of 1.06 MMscf/d (gross 100% JV) attracts a price of US\$3.46 per MMBTU. In turn, any incremental production volume delivered above the aforementioned base volume, and above the existing gas contracts with industrial clients, would achieve a gas price of US\$9.975 per MMBTU until April 2026, a price of US\$ 9.50 per MMBTU from May 2026 to December 2026 which reduces to US\$ 5.90 per MMBTU for the remaining period of the Gas Plan contract through December 2028. These prices are materially above the existing average sales prices achieved by the UTE. Achieving these incremental production volumes requires an activity investment of around US\$ 5.3 million with an operational programme that includes approximately 13 individual workovers/well interventions.

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## Statement of responsibility

The Board of Directors and the General Manager have reviewed and approved the unaudited three-month interim financial report for the period.

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

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

Oslo, May 30th, 2023

The Board of Interoil Exploration and Production ASA.

Hugo Quevedo  
*Chairman*  
*(signed)*

Nicolas Acuña  
*Board Member*  
*(signed)*

Leandro Carbone  
*General Manager*  
*(signed)*

Isabel Valado Ramudo  
*Board Member*  
*(signed)*

German Ranftl  
*Board Member*  
*(signed)*

Laura Marmol  
*Board Member*  
*(signed)*

Carmela Saccomanno  
*Board Member*  
*(signed)*

## Consolidated interim statement of comprehensive income

| Amounts in USD 1 000                                                | Note | For the 3<br>months period<br>ended 31<br>March 2023 | For the 3<br>months period<br>ended 31<br>March 2022 | For the 3<br>months period<br>ended 31<br>December<br>2022 | For the 12<br>months period<br>ended 31<br>December<br>2022 |
|---------------------------------------------------------------------|------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------|
| Sales                                                               | 4    | 2.542                                                | 5.056                                                | 3.778                                                      | 18.999                                                      |
| Cost of goods sold ex depreciation                                  | 5    | -1.329                                               | -1.768                                               | -1.624                                                     | -6.629                                                      |
| Depreciation                                                        | 5    | -352                                                 | -1.121                                               | -512                                                       | -3.168                                                      |
| <b>Gross profit</b>                                                 |      | <b>860</b>                                           | <b>2.167</b>                                         | <b>1.642</b>                                               | <b>9.202</b>                                                |
| Exploration cost expensed                                           |      | -75                                                  | -14                                                  | -97                                                        | -427                                                        |
| Administrative expense                                              |      | -1.232                                               | -928                                                 | -2.275                                                     | -4.870                                                      |
| Impairment                                                          |      | 0                                                    | 0                                                    | 0                                                          | -717                                                        |
| Other (expense)/income                                              |      | 44                                                   | 53                                                   | 256                                                        | -328                                                        |
| <b>Result from operating activities</b>                             |      | <b>-402</b>                                          | <b>1.278</b>                                         | <b>-474</b>                                                | <b>2.860</b>                                                |
| Finance expense – net                                               |      | -493                                                 | -953                                                 | -632                                                       | -678                                                        |
| <b>Loss before income tax</b>                                       |      | <b>-895</b>                                          | <b>325</b>                                           | <b>-1.106</b>                                              | <b>2.182</b>                                                |
| Income tax (expense)/credit                                         |      | -272                                                 | -204                                                 | -456                                                       | -2.845                                                      |
| <b>(Loss) Profit from continuing operations</b>                     |      | <b>-1.167</b>                                        | <b>121</b>                                           | <b>-1.562</b>                                              | <b>-663</b>                                                 |
| Other comprehensive loss                                            |      | -                                                    | -                                                    | -20                                                        | -31                                                         |
| <b>Total comprehensive (loss) profit for the period, net of tax</b> |      | <b>-1.167</b>                                        | <b>121</b>                                           | <b>-1.582</b>                                              | <b>-694</b>                                                 |

## Consolidated interim statement of financial positions

|                                              | As of 31<br>Mar 2023 | As of 31 Dec<br>2022 |
|----------------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                                |                      |                      |
| <b>Non-current assets</b>                    |                      |                      |
| Property, plant and equipment                | 17.851               | 18.018               |
| Exploration and evaluation assets            | 3.605                | 3.605                |
| <b>Total non-current assets</b>              | <b>21.456</b>        | <b>21.623</b>        |
| <b>Current assets</b>                        |                      |                      |
| Inventories                                  | 548                  | 374                  |
| Trade and other receivables                  | 3.018                | 3.731                |
| Cash and cash equivalents, restricted        | 5.980                | 5.980                |
| Cash and cash equivalents, non restricted    | 1.547                | 2.410                |
| <b>Total current assets</b>                  | <b>11.093</b>        | <b>12.495</b>        |
| <b>TOTAL ASSETS</b>                          | <b>32.548</b>        | <b>34.118</b>        |
| <b>TOTAL EQUITY</b>                          | - <b>4.143</b>       | - <b>2.976</b>       |
| <b>LIABILITIES</b>                           |                      |                      |
| <b>Non-current liabilities</b>               |                      |                      |
| Borrowings                                   | 21.276               | 21.509               |
| Retirement benefit obligations               | 260                  | 260                  |
| Provisions for other liabilities and charges | 3.366                | 3.535                |
| Other long-term payables                     | 612                  | 630                  |
| <b>Total non-current liabilities</b>         | <b>25.514</b>        | <b>25.934</b>        |
| <b>Current liabilities</b>                   |                      |                      |
| Borrowings and interest bearing liabilities  | 2.522                | 2.310                |
| Trade and other payables                     | 3.456                | 3.991                |
| Income tax payable                           | 2.519                | 2.382                |
| Provisions for other liabilities and charges | 2.680                | 2.477                |
| <b>Total current liabilities</b>             | <b>11.177</b>        | <b>11.160</b>        |
| <b>TOTAL LIABILITIES</b>                     | <b>36.691</b>        | <b>37.094</b>        |

## Consolidated interim statement of changes in equity

| Amounts in USD 1 000                    | Share capital<br>and share<br>premium | Other paid-in<br>equity | Retained<br>earnings | Total equity  |
|-----------------------------------------|---------------------------------------|-------------------------|----------------------|---------------|
| <b>Balance at 31 December 2022</b>      | <b>165.608</b>                        | <b>4.744</b>            | <b>-173.328</b>      | <b>-2.976</b> |
| Total comprehensive loss for the period | -                                     | -                       | -1.167               | -1.167        |
| <b>Balance at 31 March 2023</b>         | <b>165.608</b>                        | <b>4.744</b>            | <b>-174.495</b>      | <b>-4.143</b> |

## Consolidated interim cash flow statement

| Amounts in USD 1 000                                                 | For the 3<br>months<br>period ended<br>31 March<br>2023 | For the 3<br>months<br>period ended<br>31 March<br>2022 |
|----------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| <b>Cash generated from operations</b>                                |                                                         |                                                         |
| Comprehensive loss for the period                                    | -1.167                                                  | 121                                                     |
| Depreciation, amortization and impairment                            | 352                                                     | 1.121                                                   |
| Change in tax payable                                                | 137                                                     | -377                                                    |
| Net financial expense                                                | 493                                                     | -1.463                                                  |
| Impairment loss on PP&E                                              | -                                                       |                                                         |
| <b>Changes in assets &amp; liabilities</b>                           |                                                         |                                                         |
| Inventories                                                          | -174                                                    | -87                                                     |
| Trade and other receivables                                          | 713                                                     | 2.125                                                   |
| Trade and other payables / provision and other liabilities           | -519                                                    | -1.561                                                  |
| <b>Net cash generated operating activities</b>                       | <b>-163</b>                                             | <b>-121</b>                                             |
| <b>Cash flows from investing activities</b>                          |                                                         |                                                         |
| Changes in restricted cash classification                            | -                                                       | -319                                                    |
| Increase in non-current assets                                       | -                                                       | 657                                                     |
| Capital expenditures                                                 | -185                                                    | -1.041                                                  |
| <b>Net cash used in investing activities</b>                         | <b>-185</b>                                             | <b>-703</b>                                             |
| <b>Cash flows from financing activities</b>                          |                                                         |                                                         |
| Net interest paid                                                    | -514                                                    | -512                                                    |
| Increase in borrowings                                               | -                                                       | 1.695                                                   |
| <b>Net cash used in financing activities</b>                         | <b>-514</b>                                             | <b>1.183</b>                                            |
| <b>Net change in cash and cash equivalents</b>                       | <b>-862</b>                                             | <b>359</b>                                              |
| Non restricted cash and cash equivalents at beginning of the period  | 2.410                                                   | 4.378                                                   |
| <b>Non restricted cash and cash equivalents at end of the period</b> | <b>1.548</b>                                            | <b>4.737</b>                                            |



## Note 1. Corporate information

Interoil Exploration and Production ASA is an independent oil and gas exploration and production company, with offices in Bogota, Colombia and Buenos Aires, Argentina. The company is listed on the Oslo Stock Exchange with the ticker "IOX". 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.

Interoil is involved in the acquisition, exploration, development and operation of oil and natural gas properties in South America. Several projects are being evaluated; both producing fields and prospecting areas.

Interoil's current asset portfolio is focused on onshore E&P contracts in Colombia and Argentina. The company aims to expand its portfolio through further acquisitions, purchase of license shares and license applications or awarded permits and licenses mainly in South America

## Note 2. Accounting policies

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

The condensed interim financial information provides, in the opinion of management, a fair presentation of the financial position, results of operations and cash flows for the dates and periods covered based on the assumption of going concerned. 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 2023

| Amounts in USD 1 000                    | Colombia     | Argentina   | Norway      | Group         |
|-----------------------------------------|--------------|-------------|-------------|---------------|
| Total revenue                           | 2.279        | 263         | -           | 2.542         |
| Cost of goods sold ex depreciation      | -807         | -522        | -           | -1.329        |
| Depreciation                            | -352         | 0           | -           | -352          |
| <b>Gross profit</b>                     | <b>1.120</b> | <b>-260</b> | <b>0</b>    | <b>860</b>    |
| Exploration cost expensed               | -75          | -           | -           | -75           |
| Administrative expense                  | -1.186       | -           | -46         | -1.232        |
| Other income                            | 36           | -           | 8           | 44            |
| <b>Result from operating activities</b> | <b>-105</b>  | <b>-260</b> | <b>-38</b>  | <b>-402</b>   |
| Finance expense – net                   | -332         | -           | -161        | -493          |
| <b>Loss before income tax</b>           | <b>-437</b>  | <b>-260</b> | <b>-198</b> | <b>-894</b>   |
| Income tax expense                      | -272         | -           | -           | -272          |
| <b>Loss for the period</b>              | <b>-708</b>  | <b>-260</b> | <b>-198</b> | <b>-1.166</b> |

As of 31 March 2022

| Amounts in USD 1000                      | Colombia     | Argentina   | Norway      | Unall./Elim | Group continuing |
|------------------------------------------|--------------|-------------|-------------|-------------|------------------|
| Total revenue                            | 4.812        | 243         | 142         | -142        | 5.056            |
| Cost of goods sold ex depreciation       | -1.550       | -218        | -           | -           | -1.767           |
| Depreciation                             | -863         | -258        | -           | -           | -1.121           |
| <b>Gross Profit/ (loss)</b>              | <b>2.400</b> | <b>-233</b> | <b>142</b>  | <b>-142</b> | <b>2.167</b>     |
| Exploration cost expensed                | -13          | -           | -           | -           | -13              |
| Administrative expense                   | -722         | -96         | -110        | -           | -928             |
| Other Operating Expenses                 | 53           | -           | -           | -           | 53               |
| Impairment                               | -            | -           | -           | -           | -                |
| Other Income                             | -            | -           | -           | -           | -                |
| <b>Result from operating activities</b>  | <b>1.717</b> | <b>-329</b> | <b>32</b>   | <b>-142</b> | <b>1.278</b>     |
| Finance income                           | 417          | 134         | 0           | -           | 550              |
| Finance costs                            | -1.208       | 51          | -506        | 160         | -1.503           |
| <b>(loss) before Income tax</b>          | <b>926</b>   | <b>-144</b> | <b>-474</b> | <b>18</b>   | <b>325</b>       |
| Income tax expense                       | -204         | -           | -           | -           | -204             |
| <b>(Loss) for the period</b>             | <b>721</b>   | <b>-144</b> | <b>-474</b> | <b>18</b>   | <b>121</b>       |
| Other comprehensive loss                 | -            | -           | -           | -           | -                |
| <b>Total comprehensive (loss) Income</b> | <b>721</b>   | <b>-144</b> | <b>-474</b> | <b>18</b>   | <b>121</b>       |

For the 3 months period ended 31 December 2022

| Amounts in USD 1 000                    | Colombia     | Argentina   | Norway     | Group         |
|-----------------------------------------|--------------|-------------|------------|---------------|
| Total revenue                           | 3.348        | 430         | 0          | <b>3.778</b>  |
| Cost of goods sold ex depreciation      | -1.310       | -314        | 0          | <b>-1.624</b> |
| Depreciation                            | -511         | -0          | 0          | <b>-512</b>   |
| <b>Gross profit</b>                     | <b>1.526</b> | <b>116</b>  | <b>0</b>   | <b>1.642</b>  |
| Exploration cost expensed               | -97          | 0           | 0          | <b>-97</b>    |
| Administrative expense                  | -1.880       | -284        | -111       | <b>-2.275</b> |
| Other income                            | 205          | 0           | 51         | <b>256</b>    |
| <b>Result from operating activities</b> | <b>-246</b>  | <b>-168</b> | <b>-60</b> | <b>-474</b>   |
| Finance income                          | 502          | -398        | 2.006      | <b>2.109</b>  |
| Finance costs                           | -360         | -369        | -2.013     | <b>-2.741</b> |
| <b>Loss before income tax</b>           | <b>-104</b>  | <b>-935</b> | <b>-67</b> | <b>-1.106</b> |
| Income tax expense                      | -456         | 0           | 0          | <b>-456</b>   |
| <b>Loss for the period</b>              | <b>-560</b>  | <b>-935</b> | <b>-67</b> | <b>-1.562</b> |
| Other comprehensive income (loss)       | -20          | 0           | 0          | <b>-20</b>    |
| <b>Loss for the period</b>              | <b>-580</b>  | <b>-935</b> | <b>-67</b> | <b>-1.582</b> |

## Note 4. Property plant and equipment

| <b>Amounts in USD 1 000</b>   | <b>Total</b>  |
|-------------------------------|---------------|
| <b>As of 31 December 2022</b> | <b>18.018</b> |
| Additions, net                | 185           |
| Amortization                  | -352          |
| <b>As of 31 March 2023</b>    | <b>17.851</b> |

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