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To the bondholders in:

ISIN NO 001 0584683 – 15.00 per cent InterOil Exploration & Production ASA Senior Callable Bond Issue 2010/2016

Oslo, 29 October 2014

Information to bondholders

Refer to the attached information published by InterOil Exploration and Prod. ASA on the 27 October 2014.

The Nordic Trustee ASA would like to discuss the attached information with the bondholders in the above bond issue. Please contact:


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or

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for further information.

Yours sincerely
Nordic Trustee ASA



Jørgen Andersen

Attachment

MeldingsID: 363469	
Innsendt dato:	27.10.2014 07:01
UtstederID:	IOX
Utsteder:	InterOil Exploration and Prod. ASA
Instrument:	-
Marked:	XOSL
Kategori:	ANDRE BØRSMELDINGER
Informasjonspliktig:	Ja
Lagringspliktig:	Ja
Vedlegg:	
Tittel:	Interoil Exploration and Production ASA : Company update
Meldingstekst:	<p>Oslo, 27 October 2014 - Interoil Exploration and Production ASA ("Interoil" or the "Company") has decided to accelerate preparations for the planned refinancing of the Company and has mandated Arctic Securities AS to provide support in this process as well as to explore other strategic options. The Company aims to conclude this process before the end of the year.</p> <p>As a consequence of recent developments related to the Company's activities in Peru and Colombia together with its high leverage, the Company is experiencing increasing difficulties in obtaining necessary funding and financial guarantees from local banks to support operations. The current softening of the crude oil markets has added further to the concerns.</p> <p>As stated on 10 October, Colombian authorities are expected to require a USD 10.5 million bank guarantee for Interoil to maintain its rights to the promising LLA-47 license. In addition, USD 3.6 million of unsecured bank debt and a USD 7.5 million bank guarantee are falling due within the next few months. Interoil's Colombian subsidiary will likely be required to post 100% cash collateral for the USD 10.5 million bank guarantee and due to the company's limited cash position this will entail that the drilling of the first exploration well on LLA-47 will be postponed to after the refinancing has been completed.</p> <p>In the longer term, the Company will need to fund its exploration program on the LLA-47 license. This license is expected to hold well above</p>

30 million barrels
recoverable reserves.

Further investments are also planned to maintain production at the Puli C and Altair fields in Colombia, which are currently producing above 1,700 barrels of oil equivalent per day, and hold 2P reserves of 5.7 million barrels.

The Company and its financial advisor are currently reviewing all alternatives available to the Company in order to secure a sustainable financing solution, as well as exploring other strategic options, with the intention to present further details and a preliminary plan to shareholders, bondholders and other stakeholders in November.

The Company invites to a Q&A conference call to be held today, 27 October 2014 at 14:00 (CET), where participants are invited to ask questions to management and the chairman of the Board of Directors. Participants may ask questions in Norwegian.

Participants are asked to dial in 5-10 minutes prior to the start time using the number and confirmation code below:

Confirmation Code: 9633530

Participants, Local - Oslo, Norway: +472316
2787

Participants, Local - New York, United States of America:
+1212 444 0896

Participants, Local - London, United Kingdom:
+44(0)20 3427 1913

Participants, National free phone - Colombia:
01800 915 7431

Please direct any further questions to:

E-mail: ir@interoil.no

www.interoil.no

Interoil Exploration and Production ASA is a Norwegian based exploration and production company - listed on the Oslo Stock Exchange - with focus on Latin-America. The company is operator of several production and exploration assets in Peru and Colombia. Interoil currently employs

approximately 230 people and is
headquartered in Oslo.

This information is subject of the disclosure requirements
pursuant to section
5-12 of the Norwegian Securities Trading Act.

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