Fourth Quarter 2009 Presentation

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AGENDA

1. Highlights
2. InterOil In Brief
3. Financial Data
4. Operational Development & Plans 2010
   - Peru
   - Colombia
   - Angola
   - Ghana
5. 2010 Outlook
6. Q&As

Q4 HIGHLIGHTS

INTEROIL

Operational Highlights:

- WI production of 604’900 bbl in Q4
- Total average production in Q4 decreased by 15% since Q4 2008 and increased by 2% since Q3 2009
- Successful drilling campaign has stabilized the production at a higher level
- Year by year production increased by 29% since 2008
- 3D seismic acquisition completed on the Altair license in Colombia

Financial Highlights:

- Revenues of USD 28.9 million increased by 12% since last quarter and increased by 5% since Q4 2008
- EBITDA of USD 0.1 million
- EBITDA is affected by higher exploration cost and a tax claim in Q4
- Loss before income tax of USD 11.8 million in Q4

Seismic acquisition work on Altair license in Colombia

INTEROIL IN BRIEF

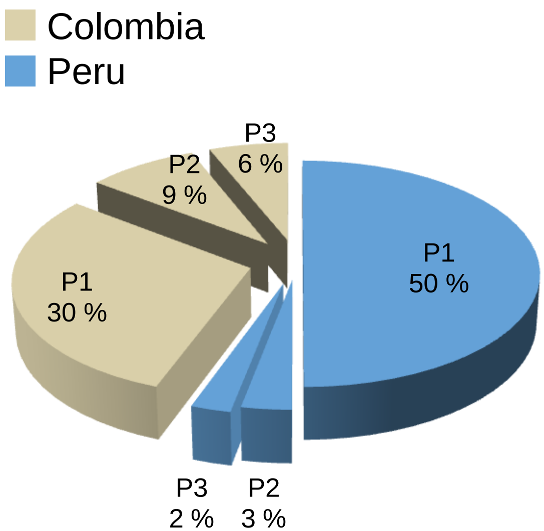
High-growth international independent exploration and production oil company - listed on the Oslo Stock Exchange - with a strategic focus on Latin America and West Africa

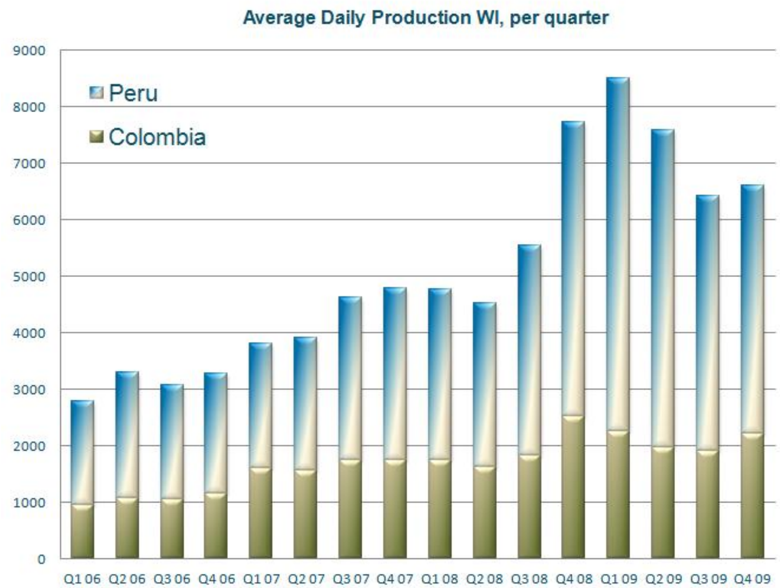
KEY FACTS

- Listed on the Oslo Stock Exchange: IOX
- Market Capitalisation USD 20 Million
- Total Shares outstanding 21.8 Million
- Sales 2009 USD 100 Million
- Capital Investments 2009 USD 23 Million
- Outstanding debt USD 150 Million
- Founded in 2005

INTEROIL IN BRIEF

	Peru	Colombia	Group
Production boe/day [1]	**4'360**	**2'215**	**6'575**
Reserves Mmboe [2]			
P1	**8.2**	**4.9**	**13.1**
P2	**8.7**	**6.3**	**15.0**
P3	**9.1**	**7.3**	**16.4**
Resources (risked)			
Contingent	**19.9**	**2.0**	**21.9**





1) Average production Q4'09

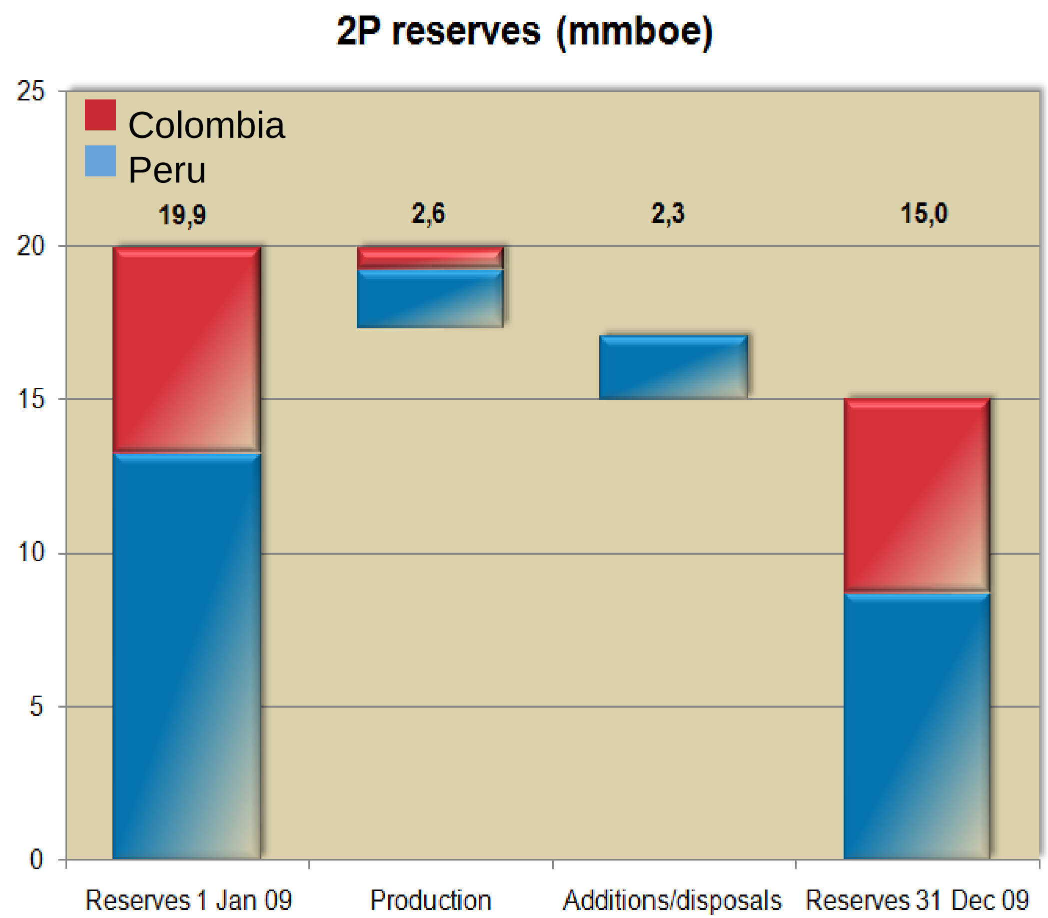
2) Certified by independent Reservoir Consultant, Gaffney, Cline & Associates 31. December 2009, WI before Royalty in Peru and WI after Royalty in Colombia

HIGHLIGHTS

- Drilling of more than 60 wells in Peru and 25 in Colombia since 2006
- All wells, except four, encountered oil
- More than doubled the production in Peru and Colombia since 2005

2009 RESERVES

- 2P reserves of 15.0 million barrels as per 31 December 2009
- 2P reserves decreased by 25% since last year
- 2.6 mmboe transfered from 2P to contingent resources due to license expire in Peru
- Significant reserve additions of approximately 16 million barrels will be added by a license extension in Peru



Q4 FINANCIAL RESULTS – UNAUDITED

INTEROIL

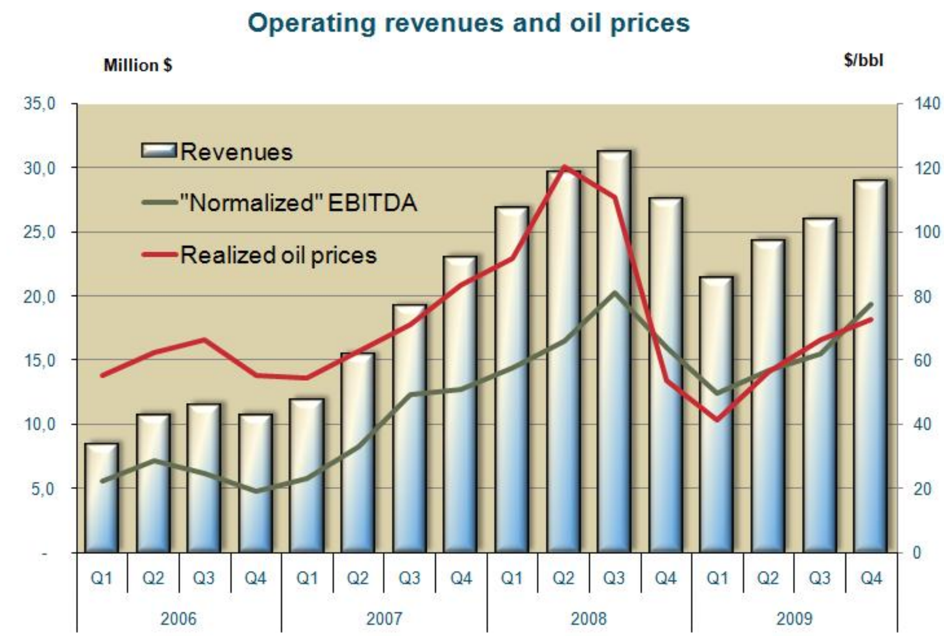
Figures in USD millions	Q4 2009	Q4 2008	FY 2009	FY 2008
Production, before royalties (bbls)	604’900	710’150	2’648’638	2’053’778
Production, net of royalties (bbls)	390’286	470’155	1’742’875	1’318’487
Sales (bbls)	389’870	511’686	1’704’262	1’331’330
Operating Revenues	28.9	27.5	100.4	115.1
Cost of goods sold	15.3	16.1	56.1	49.2
Exploration cost expensed	18.6	8.0	34.1	22.4
Administration expense	5.8	0.6	9.0	4.9
EBITDA	0.1	26.3	41.5	67.3
EBITDA excl. unrealized derivate effect, exploration, sale of asset etc	19.4	16.0	61.7	67.2
Finance income (expense) (incl. Currency gain/loss)	(4.3)	1.8	(20.5)	(8.3)
Profit (Loss) before tax	(11.8)	15.0	(7.8)	34.5
Investments / Capitalized Expenditures	10.7	30.5	22.3	56.8

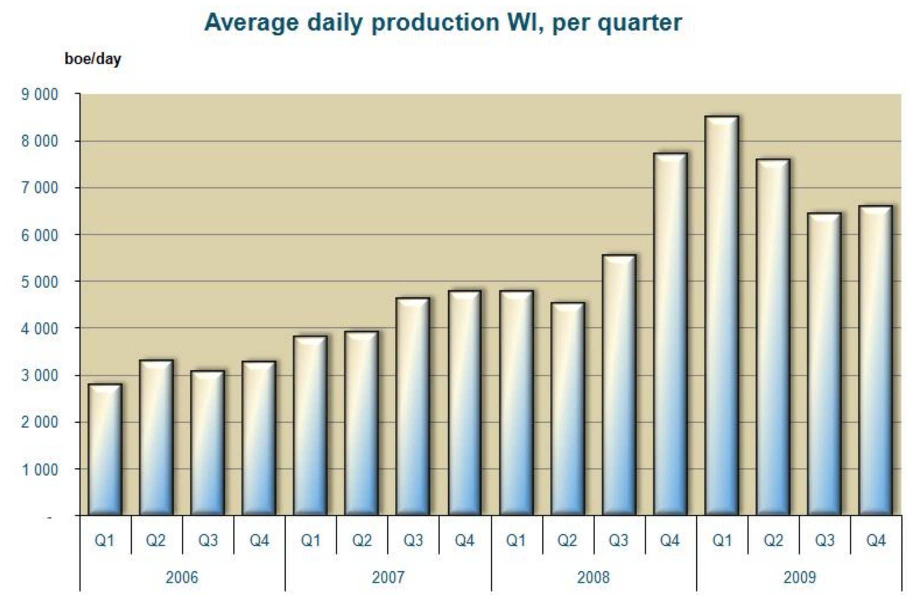
Comments:

- Production before royalty decreased by 15% compared to Q4 2008 and increased by 2% compared to Q3 2009
- Revenue increased by 5% since Q4 2008 and increased 12% since Q3 2009, due to higher oil price
- EBITDA must be considered in connection with
  - ”one off ” exploration expenses of USD 12.2 million and a provision for tax claim of USD 9.9 million
  - Sale of 7.5% of Cabinda North license in Angola resulting a net profit of USD 2.8 million
- “Normalized” EBITDA USD 19.4 million → 25% higher than in prior quarter
- CAPEX of USD 10.7 million in Q4 are connected to the drilling campaign in Peru and Colombia

REVENUES AND PRODUCTION

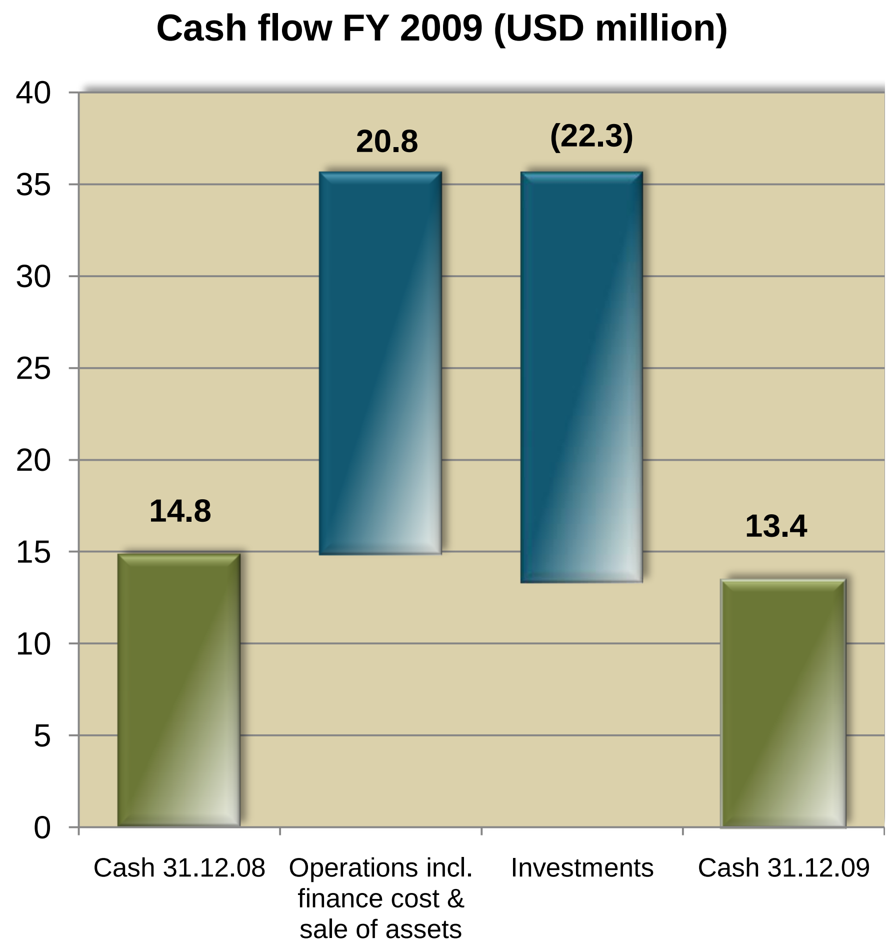
- Average quarterly production increased by 2% since last quarter
- Revenue increased by 12% since Q3
- Realized average oil price of USD 72.7 per barrel increased by 10% since Q3
- ”Normalized” EBITDA exluding all ”one off” income and expenses of USD 19.4 million increased by 25% since last quarter





CURRENT CASH POSITION

- Cash position of USD 13.4 million increased by USD 4.1 million since prior quarter
- Cash position decreased slightly since end of 2008 due to
  - Drop in the oil price first half of 2009
  - Investments in Peru and Colombia during 2009
- Current production at today's oil price generates positive cash flow
  - USD 7.5 million of the investments in 2009 is related to completion (wells and facilities) of the 2008 drilling program



BACKGROUND BONDHOLDER SITUATION

- Bondholder meeting for the FRN Interoil Exploration and Production ASA Senior Secured Callable and Putable Bond Issue 2007/2012 (the "Senior Secured Bond Loan") held 15 May, 2009
  - Asked to postpone an instalment until June 2009
  - The Company did not retain acceptance.

- The Company was notified by Norsk Tillitsmann that it was in breach of the loan agreement with the effect that the entire loan with accrued interests was due.
  - The Company simultaneously received a 14 days' notice of legal enforcement of share pledges given under the Senior Secured Bond Loan

- The Company immediately entered into discussions with major bondholders representing more than 2/3 of the bonds and a stand-still agreement was reached 16 June, 2009.
  - The Company committed to work to ensure repayment of all outstanding debt
  - Enforcement of the security for the Senior Secured Bond Loan suspended
  - Macquarie Capital Advisers/Tristone Capital Limited engaged as financial advisors to review strategic alternatives and assist in execution

INTEROIL

- The Company has been presented with some alternatives through the advisor Macquarie/Tristone and several directly from interested parties:
  - Conditional offers for the acquisition of all or part of the assets in Peru and Colombia
  - Conditional offers to refinance the outstanding debt

- Holders of the Senior Secured Bond Loan and the Company no longer in agreement on the best way forward
  - The stand-still agreement terminated
  - Mandate agreement with Macquarie/Tristone terminated
  - Norsk Tillitsmann ASA is authorised by the bondholders to reimburse bondholder funding and the filing of a petition for bankruptcy

- The Company remains committed to the ongoing sales/refinancing process and will dispute any future filing for bankruptcy
  - The value of InterOil assets far exceeds total debt
  - Best process for all stakeholders
  - The Company will take direct responsibility
  - Expect full repayment of all outstanding debt
  - Process to be finalised by end April 2010

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    - **Peru**
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    - **Ghana**
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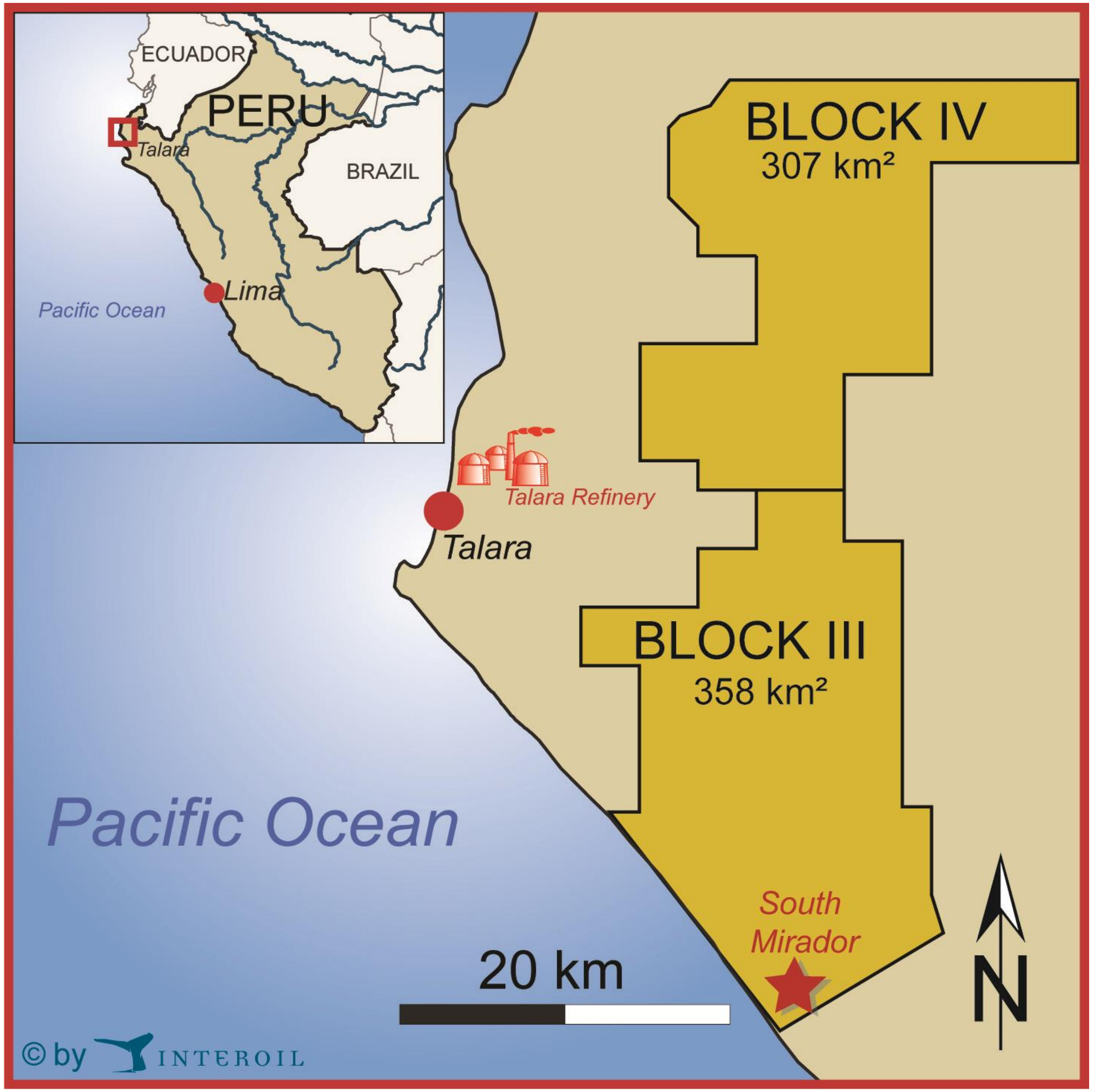
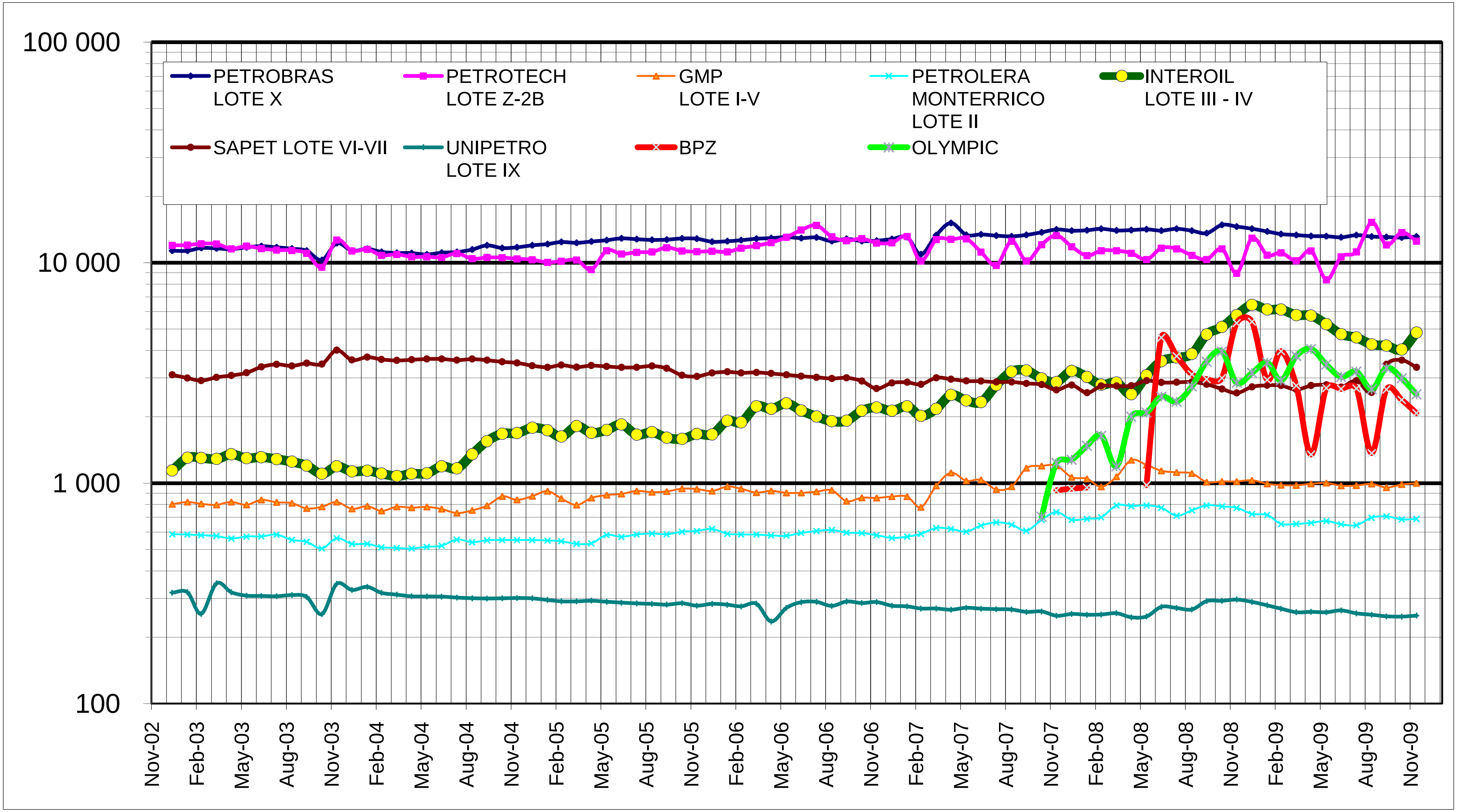


- Peruvian assets

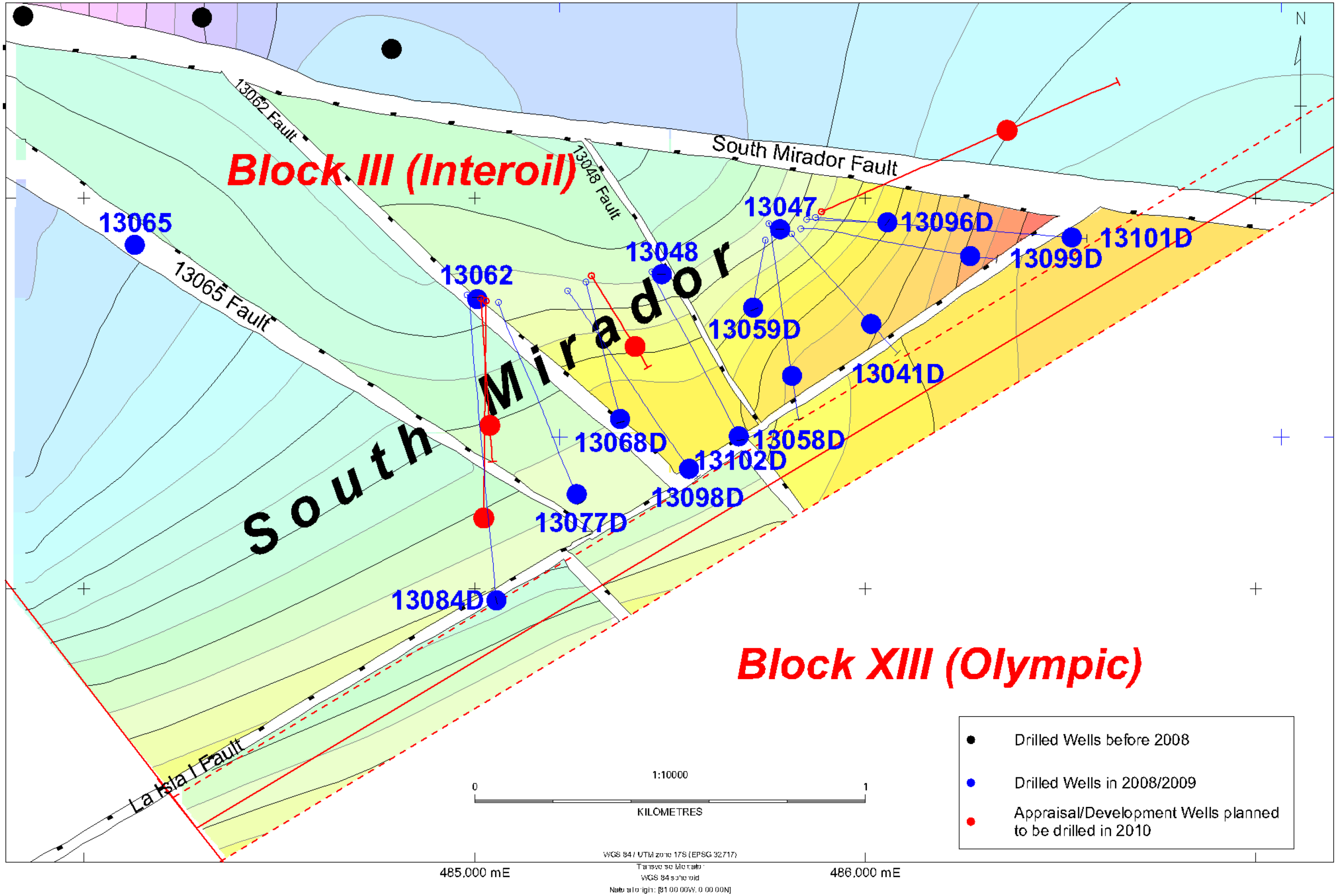
PERU HIGHLIGHTS

- **2009 drilling campaign** started in September
- Three wells completed in Q4 of which **two are set in production** and one is under final testing
- New wells **produce 250 bopd** each
- **Dual completion** of five wells in Q4
- **Several drilling locations** in the Mirador area defined
- InterOil **plan to drill 11 wells in Block III and 6 wells in Block IV** in 2010
- **Significant upside** for reserves and production going forward
- Negotiation for **license extension** of Block III & IV ongoing

PERU– Northwest Production at December 2009

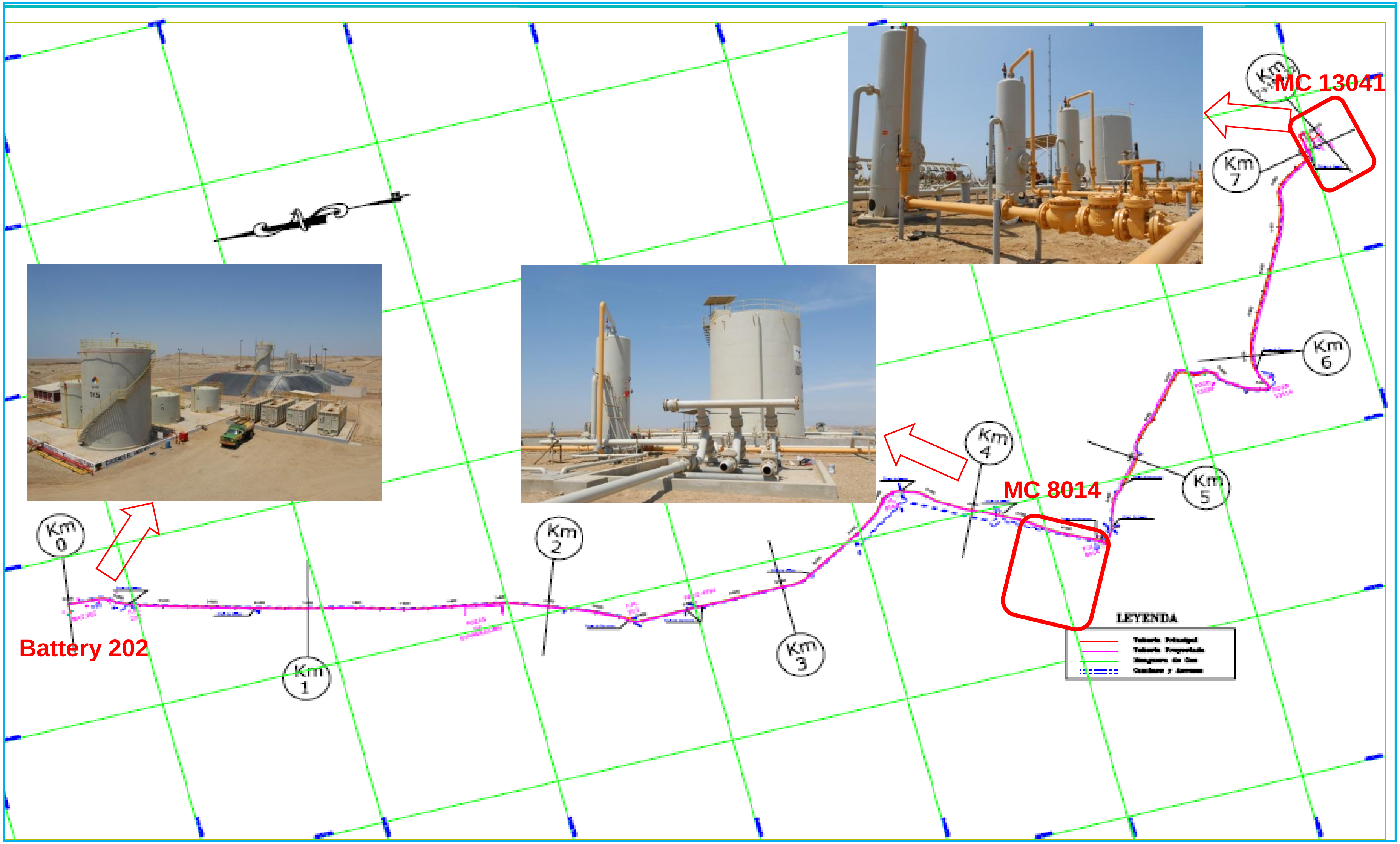


DEVELOPMENT PROGRAM 2010

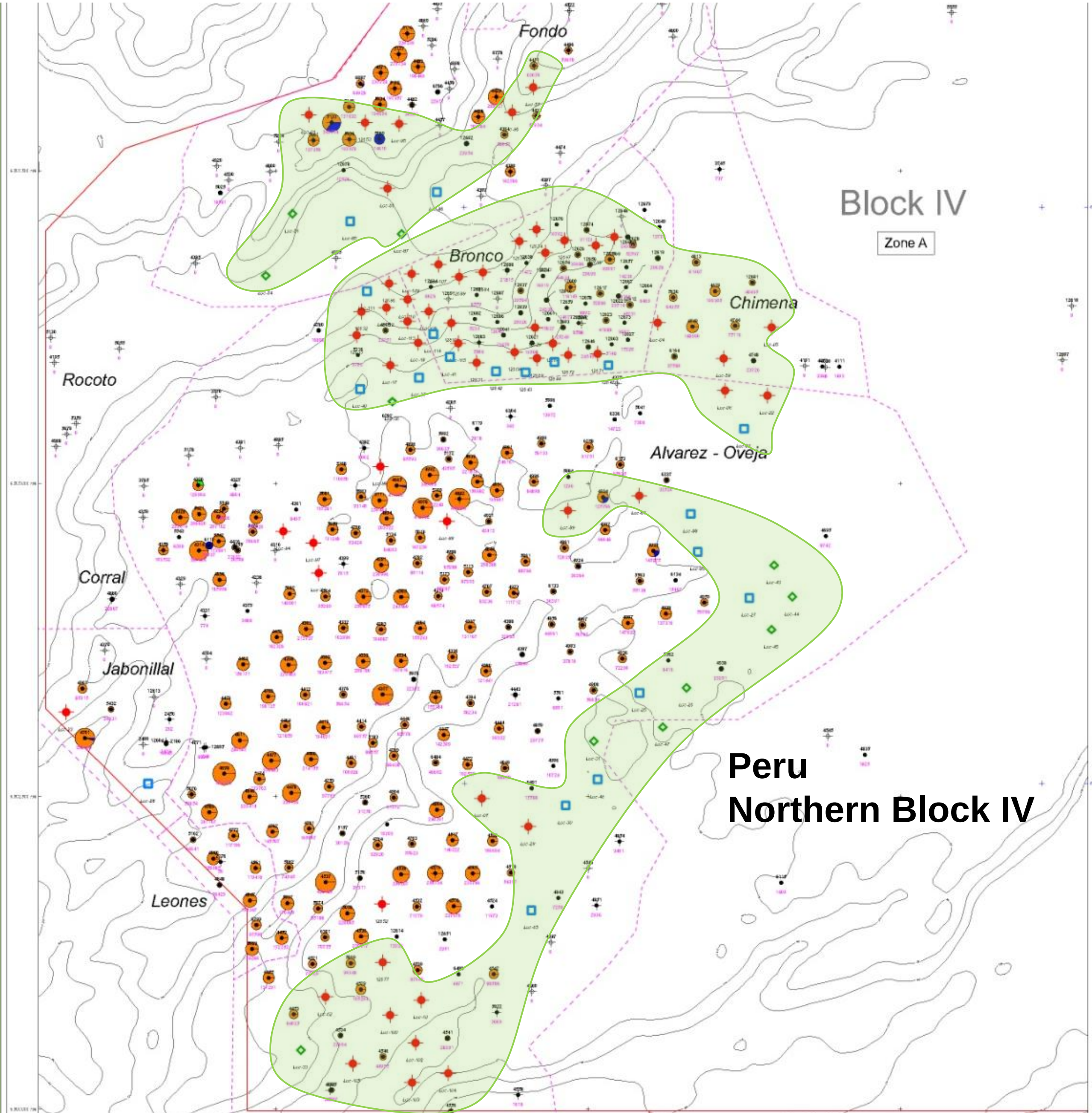


SOUTH MIRADOR – Production Facilities

INTEROIL



OPPORTUNITY AND UNRISKED UPSIDE MAP



Legend

Contour Lines

Digital Elevation Model in ft (c.i. 100 ft)

Well Status

Dry Hole (DPA) or Abandoned (APA and ATA) - logged

Dry Hole (DPA) or Abandoned (APA and ATA) - not logged

Oil Producer (F, SB, PL, PU, 80) - logged

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Cultural Elements

Block and Zone Boundaries

3D Seismic Surveys

2D Seismic Lines

Cumulative Oil Production in bbl (30.04.2009)

Cumulative Production 532669

Approx. Field Outline

Salina (Mogollon + San Cristobal + Basal Salina)

Mal Paso (Salina-Balcones + Balcones + Mal Paso)

Cretaceous (Redondo + Cretaceo)

Amotape

(Area of circle is proportional to cumulative production)

Development Locations

Proved Reserves

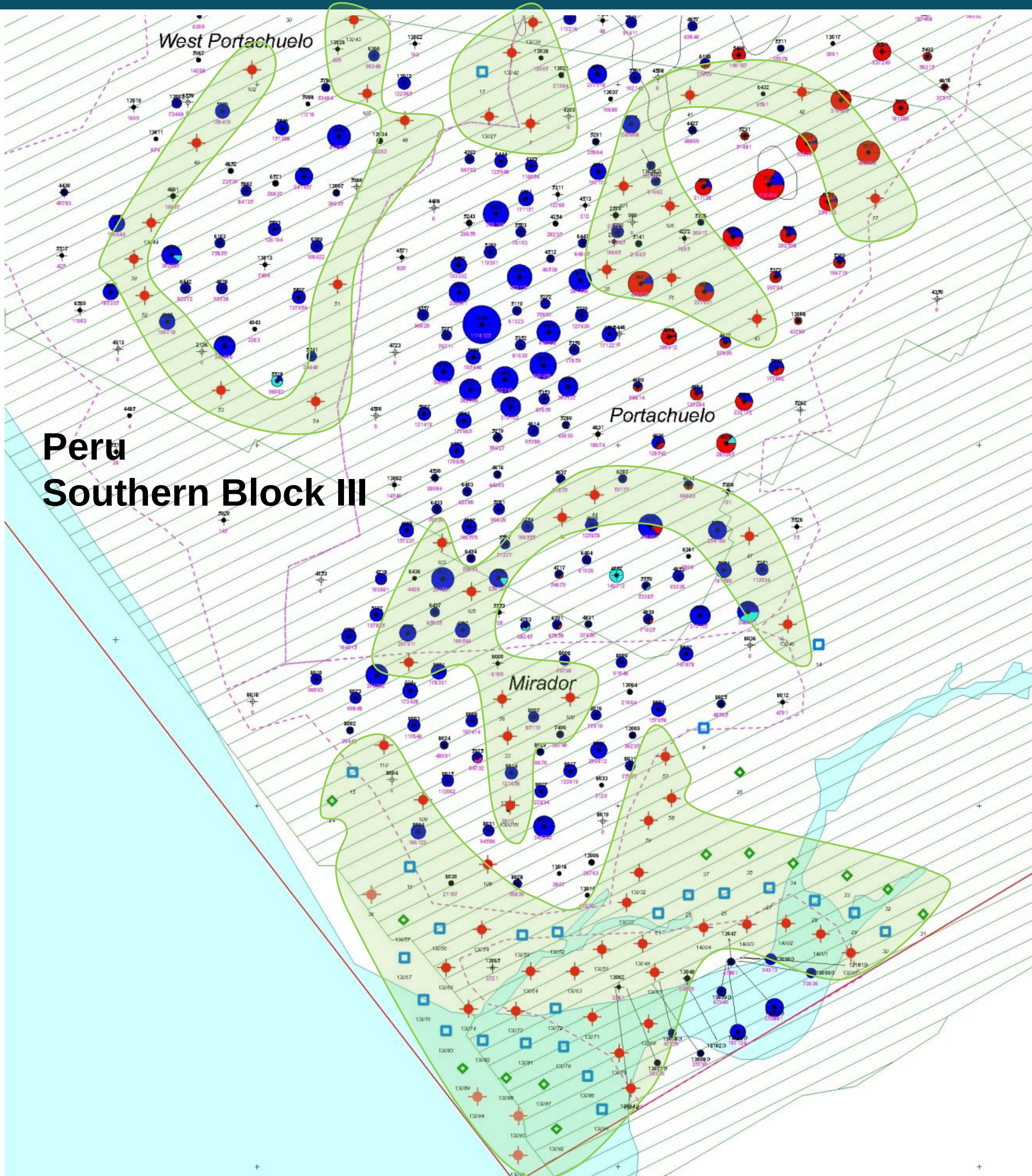
Probable Reserves

Possible Reserves

Contingent Resources

OPPORTUNITY AND UNRISKED UPSIDE MAP

INTEROIL



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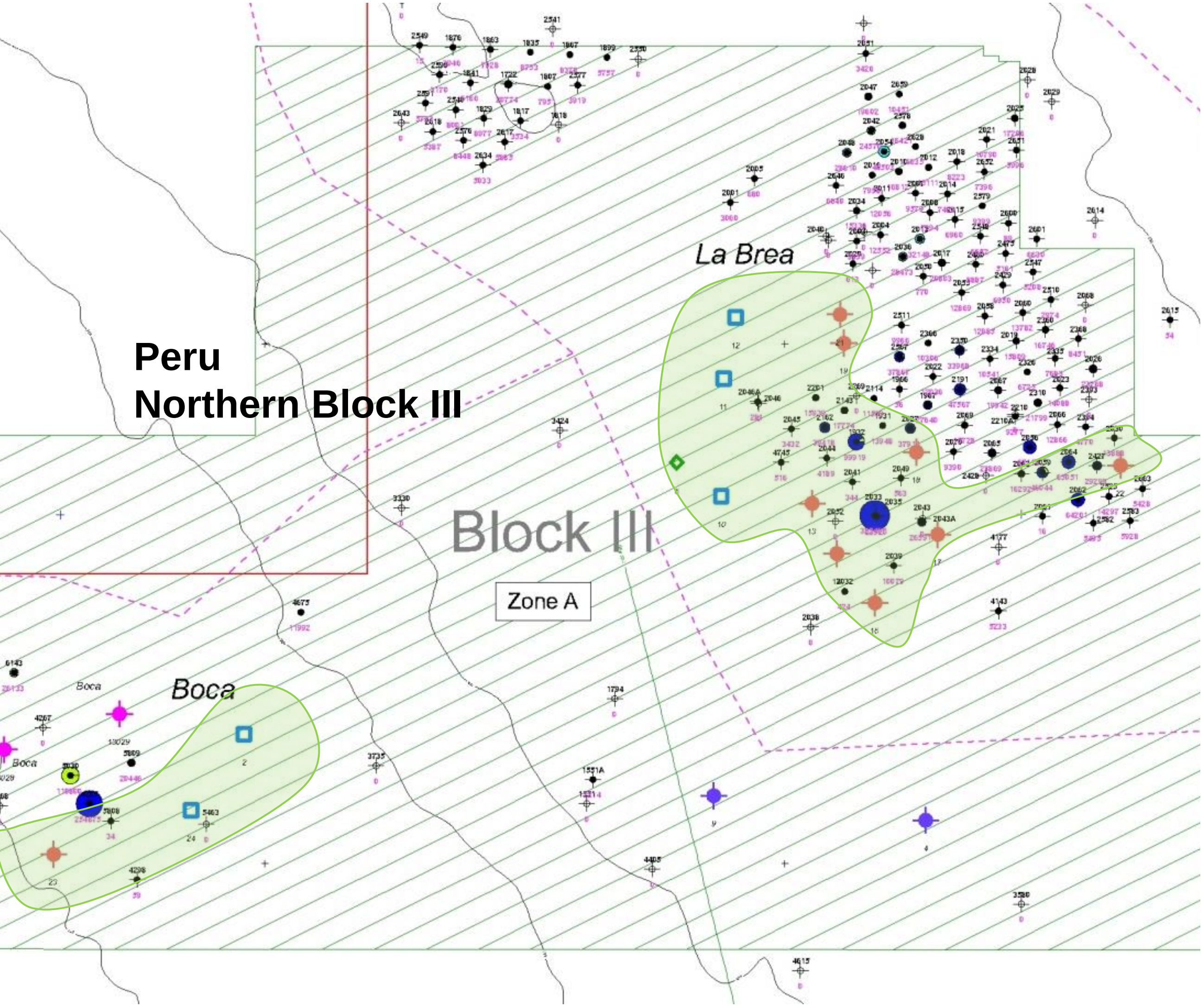

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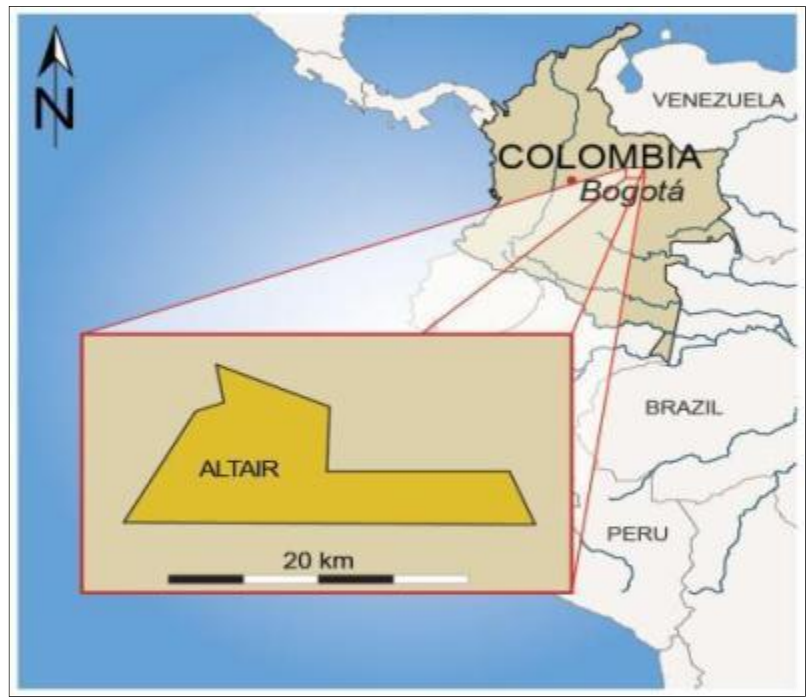
OPPORTUNITY SUMMARY – PERU

Reserve Category	Workover	Drilling Location	Total
PDNP	123	0	123
PUD	0	106	106
PROB	0	7	7
POSS	0	1	1
Unrisked Upside	42	109	151
Total	**165**	**223**	**388**

- Colombian assets

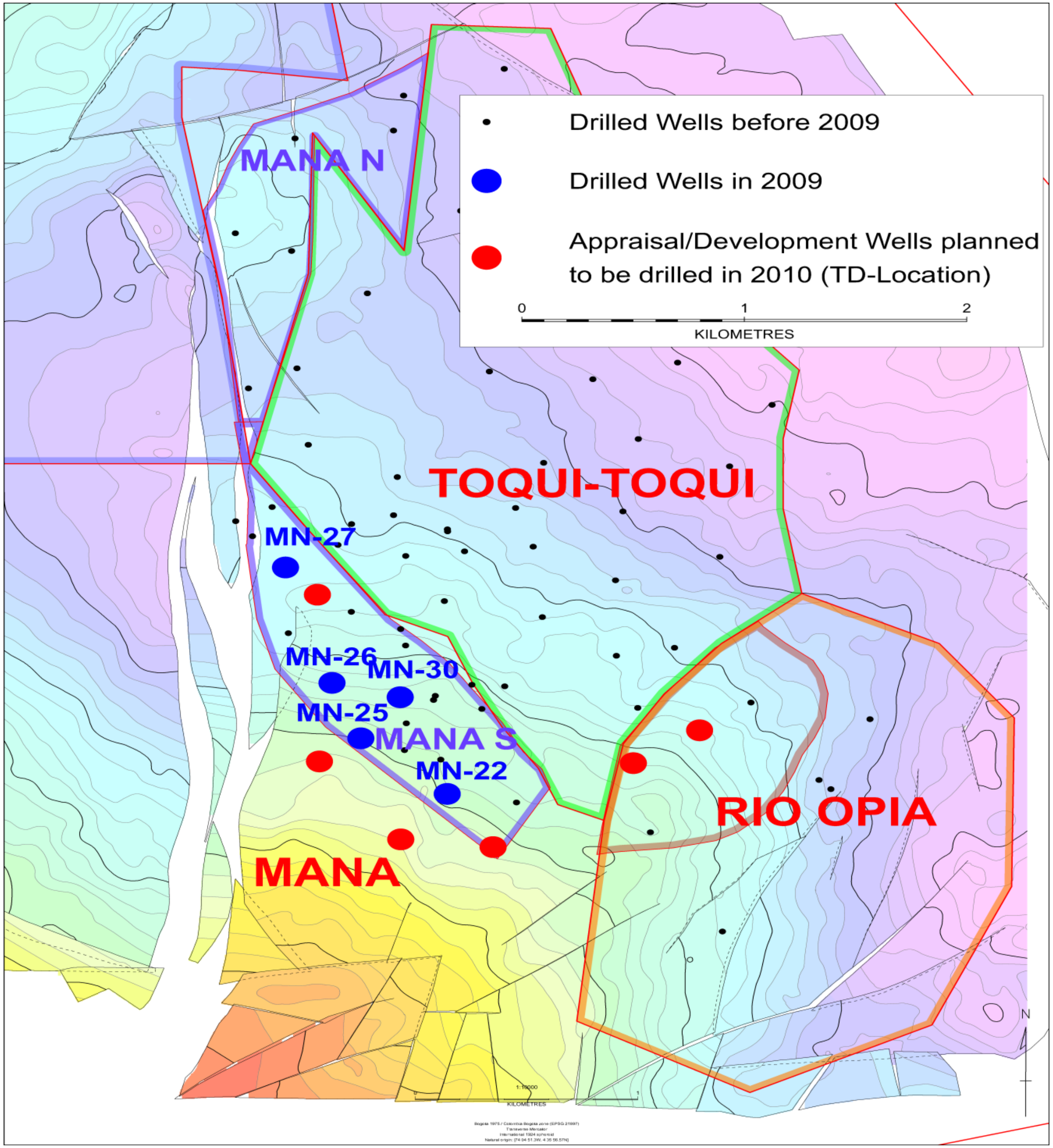


COLOMBIA HIGHLIGHTS

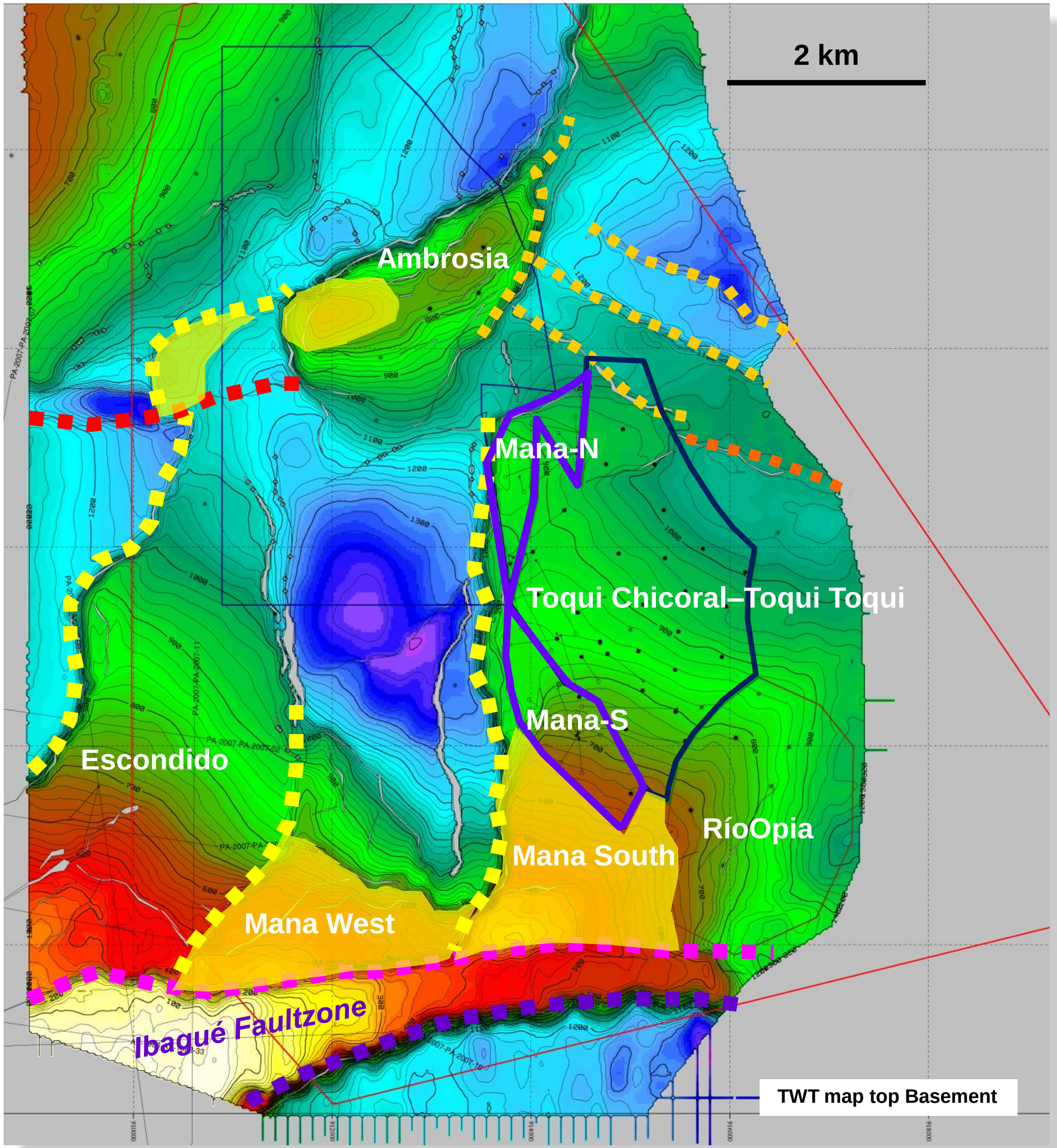
INTEROIL

- **Drilling campaign** started in September
- Five wells completed during Q4 of which all **encountered oil and are set in production**
- Best well produce **300 bopd**
- South Mana and Rio Opia shows further **upside potential for reserves and production**
- **15 drilling locations** defined on Mana and Rio Opia
- **6 appraisal/development wells** planned on Mana and Rio Opia in 2010
- **10% of Altair license** traded against the drilling of at least two exploration wells
- **Seismic acquisition completed** on Altair Block
- Two **exploration wells to be drilled and completed** on Altair Block in Q2 2010

DEVELOPMENT PROGRAM 2010



MANA – Main Structures & Remaining Prospectivity

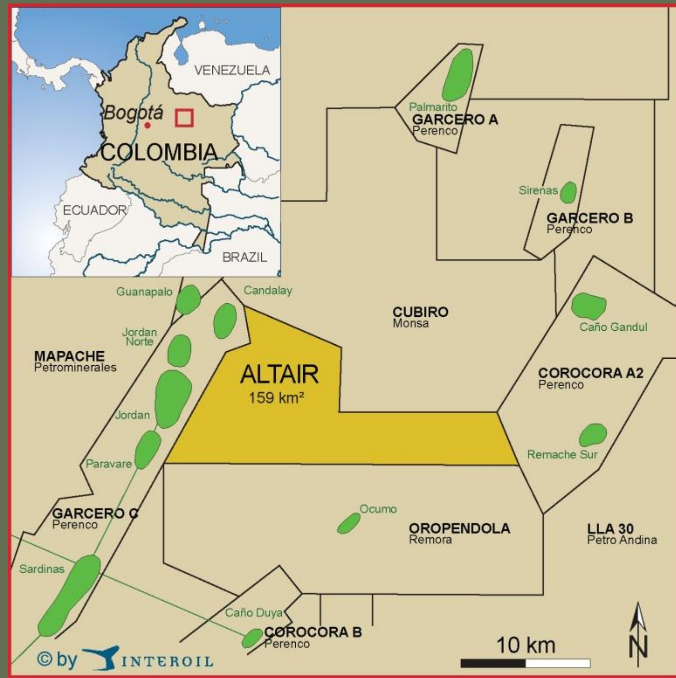


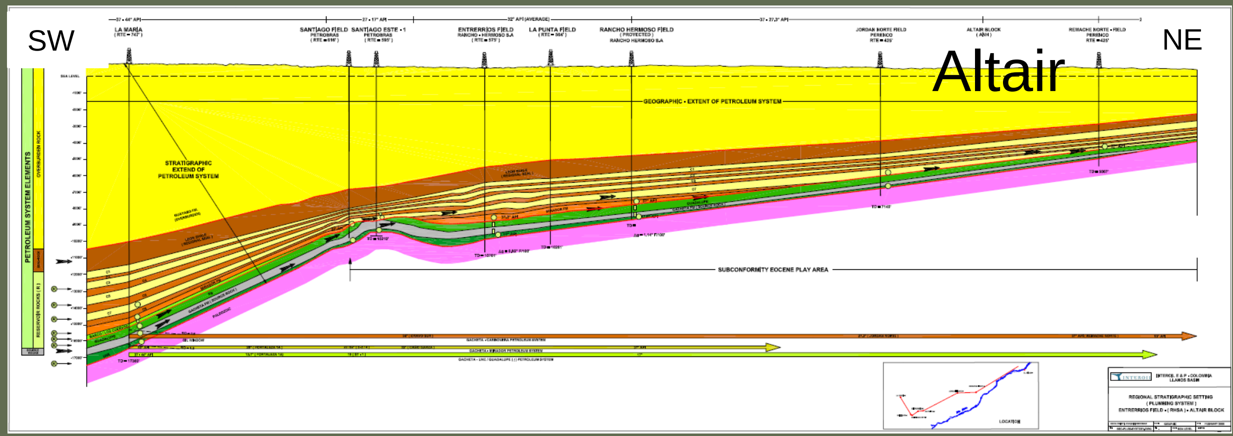
remaining prospectivity

OPPORTUNITY SUMMARY – COLOMBIA

Reserve Category	Workover	Drilling Location	Total
PUD	0	15	15
PROB	0	4	4
POSS	0	2	2
Unrisked Upside	0	18	18
Total	**0**	**39**	**39**

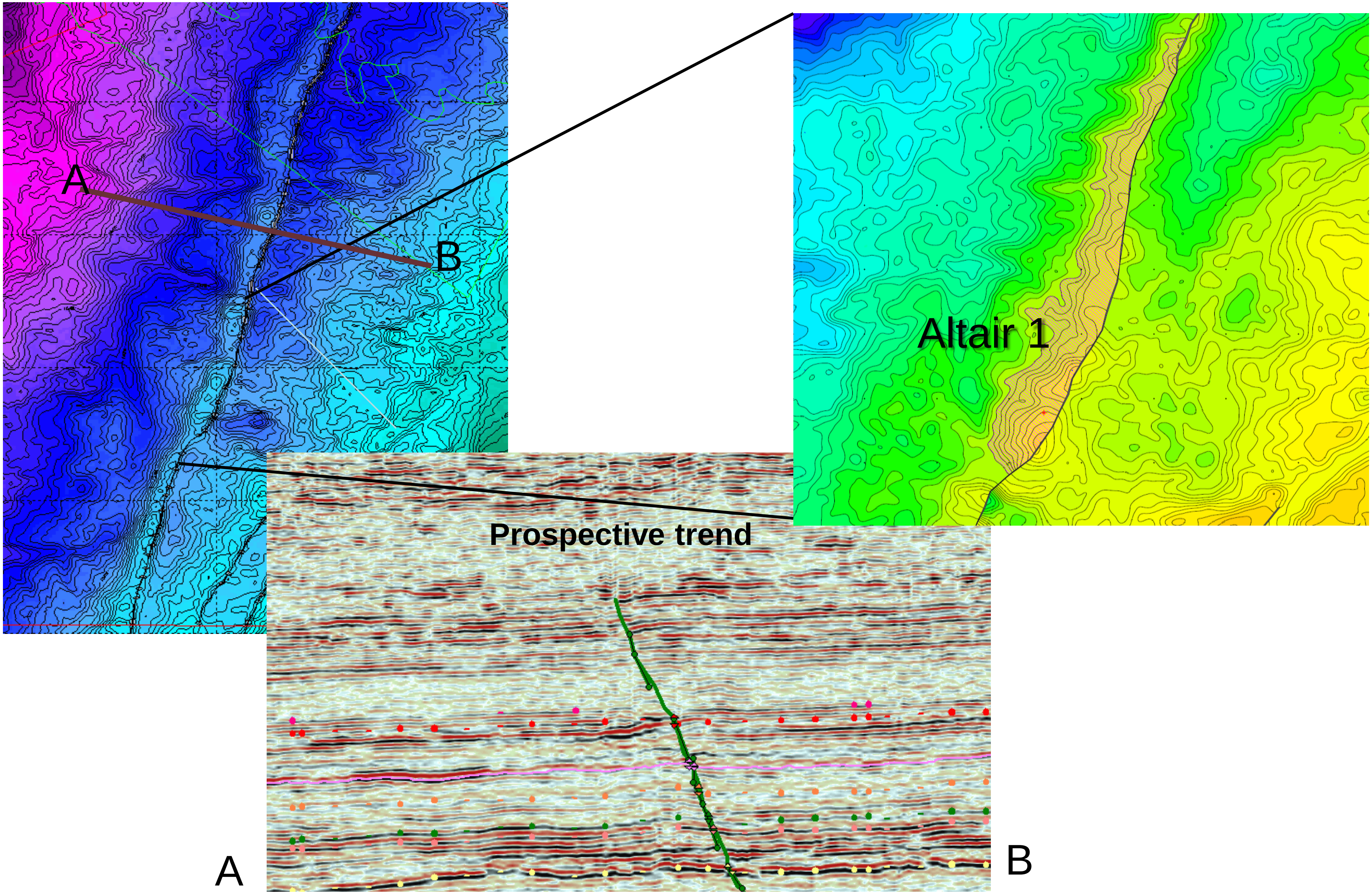
Exploration	Block Altair
Prospective Resources	~ 27 MMb
1st Investment Phase starts Nov. 08	18 Months 3D Seismic 1 well
Cost per well	4.5 MMUSD
Corporate Tax	33%
Royalty	8.0%
Working Interest	90%
Surface	159 km^2
Operator	InterOil





ALTAIR DEAL

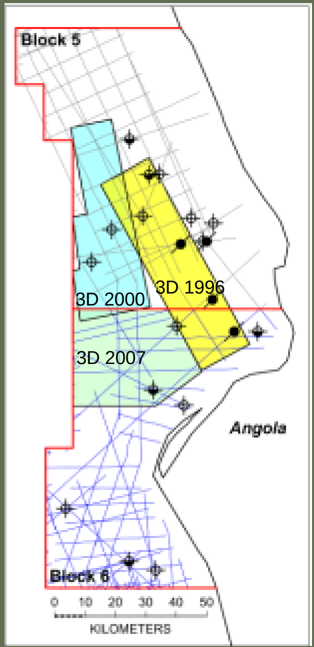
- Deal signed with major Colombian drilling contractor
- Drilling contractor will receive 10% of the Altair license against the drilling and testing of minimum two exploration wells at their cost
- If the two first wells are successful the drilling contractor is committed to drill two more wells
- InterOil budget drilling cost of USD 4.5 million for each well in this area
- The wells are planned to be spud with two drilling rigs in March/April 2010
- Completion of wells expected during second quarter 2010

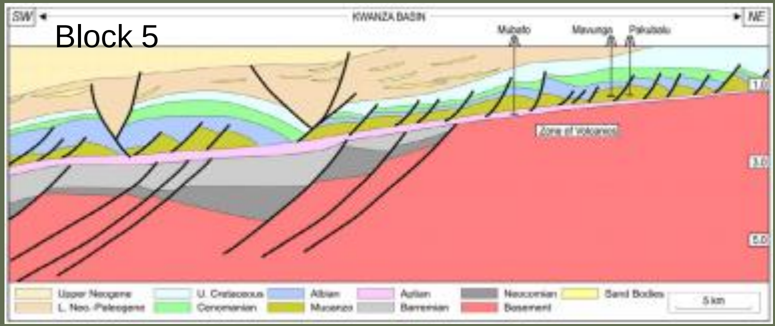

A
B
Altair 1
Prospective trend
A
B

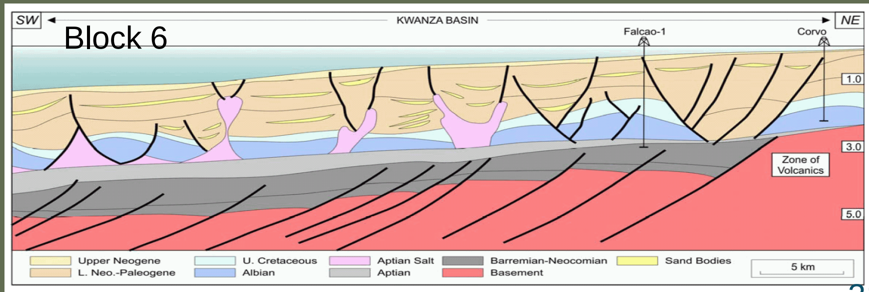
INTEROIL

Exploration	Block 5	Block 6
Prospective Resources*	~ 450 MMb	~ 600 MMb
Contingent Resources*	~ 27 MMb	~ 16 MMb
Investments 1st Phase, 4 Years (InterOil's share)	27 MMUSD	23 MMUSD
Drilling 2010	2 well	2 well
Cost per well	~40 MMUSD	~40 MMUSD
Water depth wells	~100m	~100m
Existing Wells	12	8
Wells with hydrocarbons	10	6
Working Interest	40%	20%
Surface	5'708 km2	4'930 km2
Operator	Vaalco	Petrobras
Partner	Sonangol	Sonangol Initial Oil Falcon Oil

*risked estimate



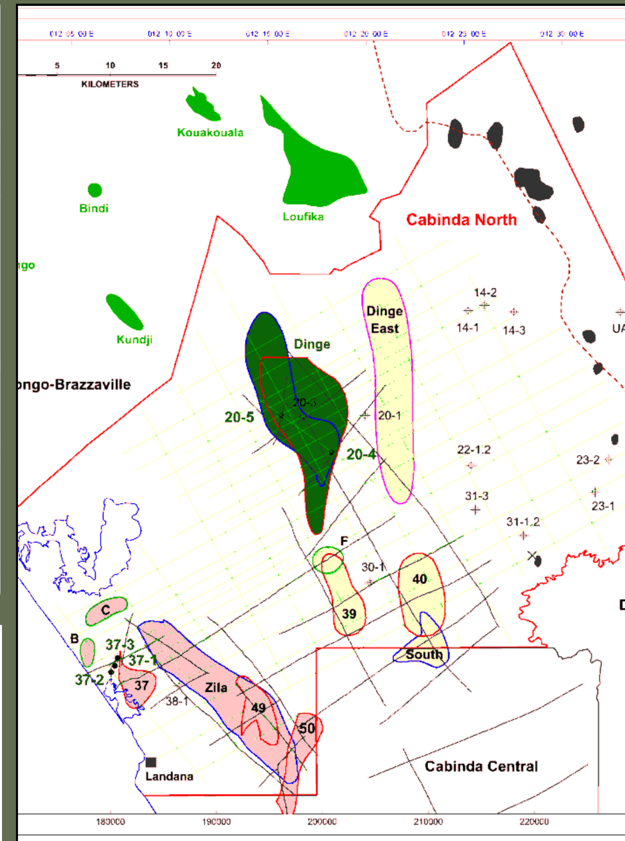




ANGOLA – CABINDA NORTH - ONSHORE

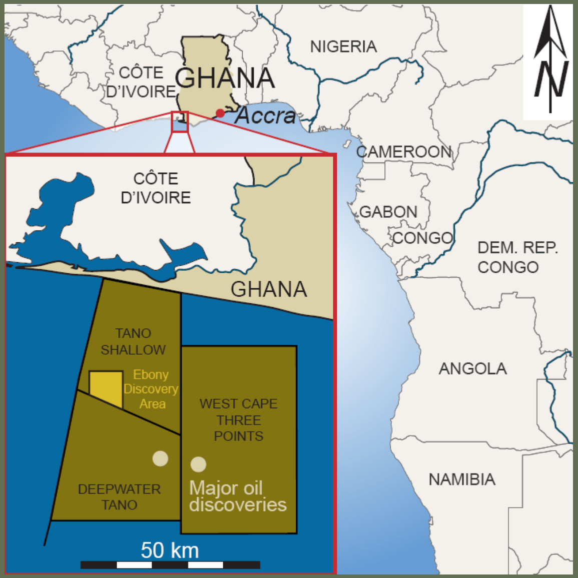
Exploration	Cabinda North
Prospective Resources*	~ 300 MMb
Contingent Resources*	~ 53 MMb
Acquisition cost	33 MMUSD
Drilling 2011	3 Wells
Working Interest	3.5%
Surface	2‘400 km^2
Operator	Sonangol 20%
Existing Wells	14
Wells with hydrocarbons	5
Work obligations initial 3 years	1‘200 km 2D seismic 5 exploration wells estimated net cost USD 24 Million


Jungle of Cabinda

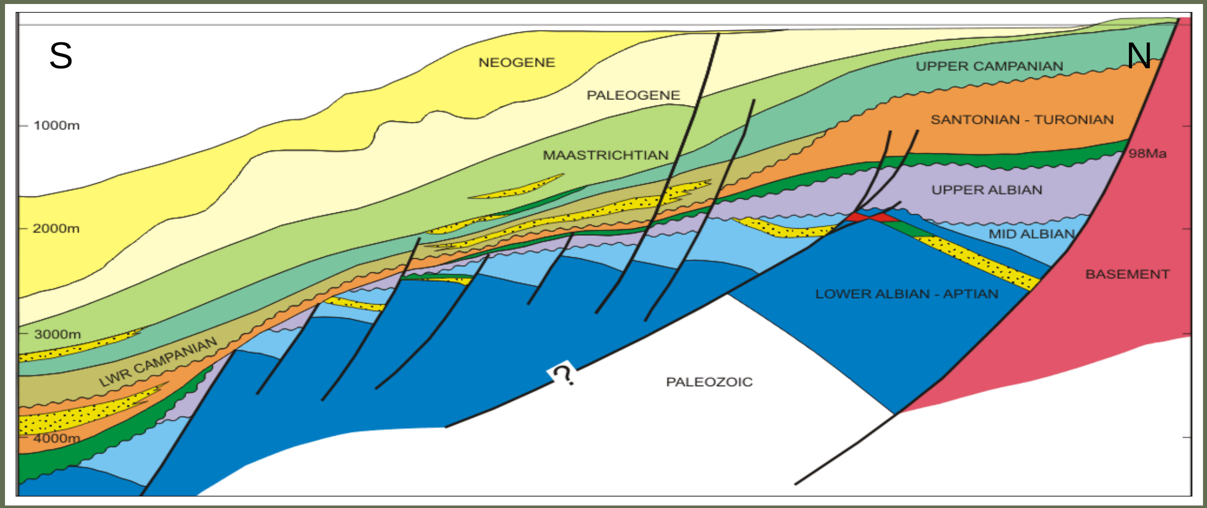


*risked estimate

Exploration	Tano Shallow
Prospective Resources*	~ 50 Mmboe
Contingent Resources*	~ 25 Mmboe ~ 100 bcf
Working Interest	31.5%
Surface	60 km2
Operator	Tullow 31.5%
Partners	Thani Ghana 22.5%, Sabre Oil 4.5%, GNPC 10% (carried)
Existing Wells	15
Wells with hydrocarbons	13




Adriatic VI, 300 Foot Jack-up



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OPERATIONAL OUTLOOK & SUMMARY

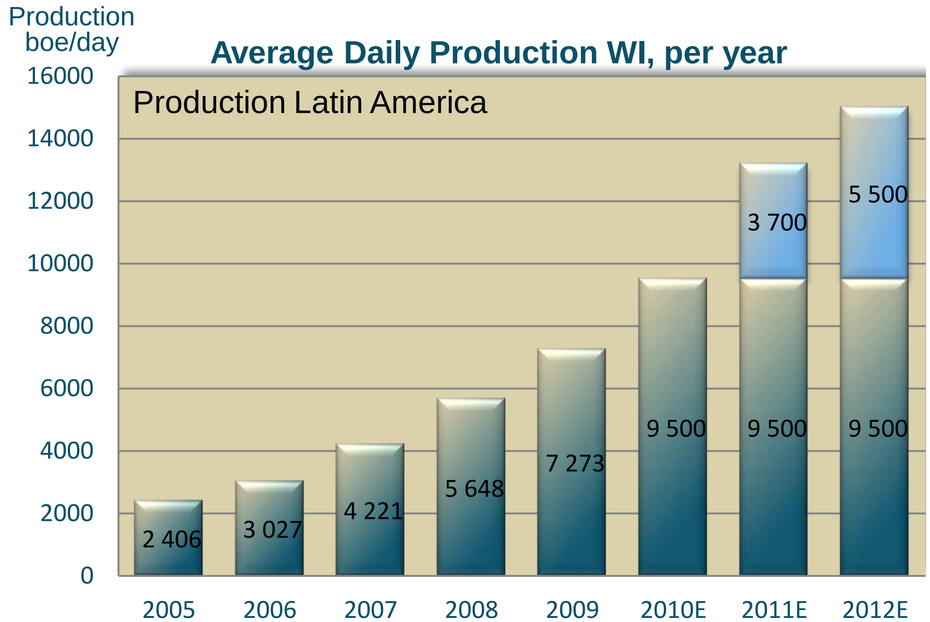
- Production guidance 2010: 8’500 - 9’500 boe/day

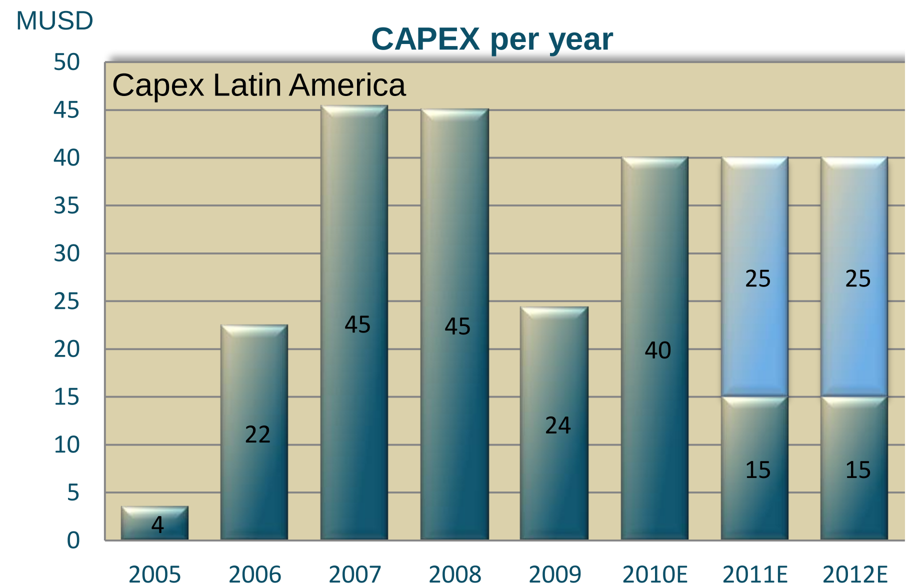
- Current drilling plan 2010
  - Colombia: 6 production/appraisal wells in Mana and Rio Opia and two exploration wells in Altair
    - Production estimate of 200 boe/day per well
  - Peru: 11 production wells in Mirador area of Block III and 6 production wells in Block IV
    - Production estimate of 300 boe/day per well in Block III and 80 boe/day per well in Block IV

- Ongoing rationalization of West African operations is expected to reduce InterOil’s capex commitments
  - InterOil expects to fund investments in West Africa through ongoing rationalization

INTEROIL

- Target of 8'500 - 9'500 boe/day in 2010 from current concessions in Latin America
  - All infrastructure in place
- Cost target less than USD 7.0 per barrel
  - Current operating cost of USD 7.5 per barrel
- Capex budget of 40 MUSD in Latin America in 2010
  - 17 wells planned for Peru
  - 8 wells planned for Colombia
  - Some investments in maintenance, work-over and enhanced oil recovery
- Budgeted capex 2011-12 pending on oil price
  - Minimum maintenance capex of 15 MUSD to maintain production at 9'500 boe/day
  - Additional 25 MUSD capex per year required to increase production further as guided





Q&A - Thank you for your attention!

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