

Denne melding til obligasjonseiere er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee ASA

To the bondholders in:

**ISIN NO 0010729908 - 6 per cent Interoil Exploration and Production ASA
Senior Secured Callable Bond Issue 2015/2020**

Oslo, 9 January 2017

Notice to Bondholders - PIK interests

Nordic Trustee ASA (the "**Bond Trustee**") acts as trustee for the bondholders (the "**Bondholders**") in the above mentioned bond issue ("the "**Bonds**" or the "**Bond Issue**") issued by Interoil Exploration and Production ASA as issuer (the "**Issuer**"). Capitalised terms used herein shall have the meaning assigned to them in the bond agreement dated 28 January 2015, as amended (the "**Bond Agreement**"), unless otherwise stated herein.

The Bond Trustee has received notice from the Issuer that it, pursuant to Clause 9.5 of the Bond agreement, opts to pay the interest payment on the Bonds due on 22 January 2017 in kind (and not cash).

Pursuant to Clause 9.2 of the Bond Agreement, this interest payment will thus be made in the form of additional Bonds based on the Face Value, calculated based on the total number of Bonds on the Interest Payment Date, rounded down to the nearest USD. The Fixed Rate for such interest payment will be eight per cent (8%) per annum.

Yours sincerely
Nordic Trustee ASA



Erik Marin-Andresen