InterOil Shareholders Request Fair Value and Transparency on the XOM Proposal CRP

July 25, 2016

Forward Looking Statements

This presentation contains forward-looking statements. All statements contained in this filing that are not clearly historical in nature or that necessarily depend on future events are forward-looking, and the words "anticipate," "believe," "expect," "estimate," "plan," and similar expressions are generally intended to identify forward-looking statements. These statements are based on current expectations of Phil Mulacek and currently available information. Mr. Mulacek holds a position in InterOil and works with the indirect interest holders also. There are no guarantees of future performance, everything involve certain risks and uncertainties that are difficult to predict, and are based upon assumptions as to future events that may not prove to be accurate or are under the control of third parties, including persons involved in the drilling of Antelope #7 and others]certifying the resource, parties that may be conflicted or not and many other parties will affect the final outcome. Mr. Mulacek does not assume any obligation to update any forward-looking statements contained in this presentation. We have tried our best to provide accurate information in this presentation. If any information is incorrect or unclear, we sincerely apologize, but as noted above, we undertake no obligation to update or revise the presentation.

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Part A:

Modify the XOM Proposal CRP

Executive Summary

- **ExxonMobil** (“***XOM”***) has proposed to acquire all of the shares of **InterOil Corporation** (“***InterOil***”) for US$45 per InterOil share plus a “contingent resource payment” (“***CRP***”) that pays cash if the certified resources of the Antelope field in PNG exceed 6.2 tcfe up to a maximum of 10 tcfe (the “**XOM *Proposal***”).

- **<u>THE CRP PORTION OF THE XOM PROPOSAL IS UNFAIR TO INTEROIL SHAREHOLDERS</u>**:

    - The XOM proposal is almost the same as the former OSH proposal

    - The proposed **XOM CRP is highly speculative and subject to manipulation as it is based on a single “interim resource certification” after Antelope #7.** Therefore, the XOM CRP can be considered to have **low value** unless Antelope #7 is defined in more detail and modified to improve fair value for all shareholders.

    - In light of the XOM CRP issues, the overall **share value component is too low.**

- This presentation describes our concerns with the XOM Proposal and outlines recommended modifications that would be more fair to both XOM & InterOil shareholders:

    - **Option 1):** No 10 tcfe cap for XOM - Pass through half (50%) of the payments to be made by TOTAL under its existing agreement with InterOil shareholders meaning fair payments after cashflow; or

    - **Option 2)** 10 tcfe cap for XOM – in regards to the US$0.90/mcfe - Improve the XOM CRP to include post-production re-certification payments (wildcard and 25% material balance) beyond Antelope #7, back to back to the existing TOTAL S.A. payments.

- We also highlight the **wasteful dilution** under the 2016 InterOil Stock Plan, and **questionable trading practices** of the Board and senior management during negotiations with XOM and OSH.

XOM Proposal Value

XOM Shares:

US$ 45.00 / share

- XOM Very stable stock and (like InterOil) NYSE listed
- However
  - XOM is trading at all time high so the number of XOM shares may be depressed;
  - Limited appreciation from development of Antelope field or Papua LNG Project.

+

XOM CRP:

~ US$ 1.62 / share

- XOM proposes to pay US$0.90/mcfe (US$7.07/share per 1 tcfe) for 2C resources > 6.2 tcfe, up to a maximum of 10 tcfe.
- However
  - Highly speculative and subject to manipulation; and
  - Based on new resource certifiers – meaning a 25% to 50% discount hit to shareholders
  - Wrongly limited to Antelope#7; location and methods of drilling Antelope #7 well a risk
  - No input by key original shareholders

=

~ US$ 46.62 / share

What Should the Price Be?

InterOil has three key assets:

1) TOTAL – Payments for 40.13% of PRL 15	2) PRL 15 – Value of 36.54% Interest in PRL 15	3) Discoveries and Exploration
Cash Payments	Certified Resources	Long Term Value

- <u>TOTAL Payments</u>: Five (5) expected payments under the TOTAL PRL 15 SPA for prior sale of a gross 40.13% interest in PRL 15 (worth **~ US$46.03 / share or higher** based on reasonable estimates).
- <u>Remaining 36.54% PRL 15 Interest</u>: Gross 36.54% license interest in PRL 15, which InterOil retained (worth **~ US$46.93 / share** based on recent comparable transactions); and
- <u>Discoveries and Exploration</u>: Triceratops, Raptor and Bobcat resources and exploration acreage

InterOil Shareholders =

$ TOTAL Cash Payments 40.13%

US$ 46.03/ share (US$ 2.35 Billion) to US$ 85.09/ share (US$ 4.35 Billion)

Cash Payments to IOC Shareholders

+

PRL-15: 36.54%

Elk & Antelope

US$ 46.93/ share (US$ 2.40 Billion) to US$ 78.66/ share (US$ 4.02 Billion)

Value to IOC Shareholders

+

Triceratops
Raptor
Bobcat

Triceratops, Raptor, Bobcat and exploration acreage

*refer to Appendix 1 & 2

Value Parts of InterOil
(based on est. 10 tcfe)

<u>TOTAL S.A. - Five (5) Cash Payments</u>:

- TOTAL S.A. is currently obligated to pay five (5) additional cash payments under the PRL 15 SPA (the "***TOTAL Five Cash Payments***") – these are like 5 cash bonds with most of the payments after LNG Production*
  - <u>Interim Resource Payment</u>: depends on Antelope #7 resource valuation
  - <u>FID</u>: US$73 million (fixed)
  - <u>First LNG Cargo</u>: US$65 million (fixed)
  - <u>Wildcard Cert. payment*</u>: after LNG Production and after 25% field depletion
  - <u>Final certification payment*</u>: Material Balance certification after 25% reservoir depletion
  - ***Sum*** ***~ US$46.03 / share - US$2.35 billion***

<u>PRL 15 - 36.54% retained interests in E/A</u>:

- Based on OSH 2014 IPI Purchase: US$44.78 / share - US$2.29 billion
- Based on TOTAL SPA: US$49.06 / share - US$2.51 billion
- ***Average Value**** ***US$46.92 / share - US$2.40 billion***

<u>Exploration Acreage</u> Has real value -

TOTAL: **US$92.95 / share - US$4.75 billion**

*** If the Material Balance proves the size is over 10 tcfe – then TOTAL S.A. payments increase.**

Modify CRP To Provide Fair Value to InterOil Shareholders

We support a transaction that is fair for both XOM and InterOil shareholders. However, we are concerned that the XOM Proposal gives away billions of dollars of value in respect of the five (5) TOTAL Cash Payments that belongs to the InterOil shareholders.

<u>XOM CRP Based on TOTAL Cash Payments</u>:

To correct this, the XOM CRP should be modified to pass through a portion of the TOTAL Cash Payments to InterOil shareholders as follows:

Option 1) Split 50% of the TOTAL payments to InterOil shareholders and 50% to XOM (not subject to a 10 tcfe cap); **OR**

Option 2) Modify the proposed XOM CRP to include two more TOTAL certification payment points (wildcard & 25% material balance) on certified volumes at the same US$0.90/mcfe (subject to 10 tcfe cap)

- XOM retains upside of all TOTAL certification payments for 2C volumes above 10 tcfe (depletion drive benefits), XOM keeps US$0.10/mcfe of the TOTAL S.A. payments < 10 tcfe, and 100% of the fixed FID and First LNG Cargo payments from TOTAL S.A.

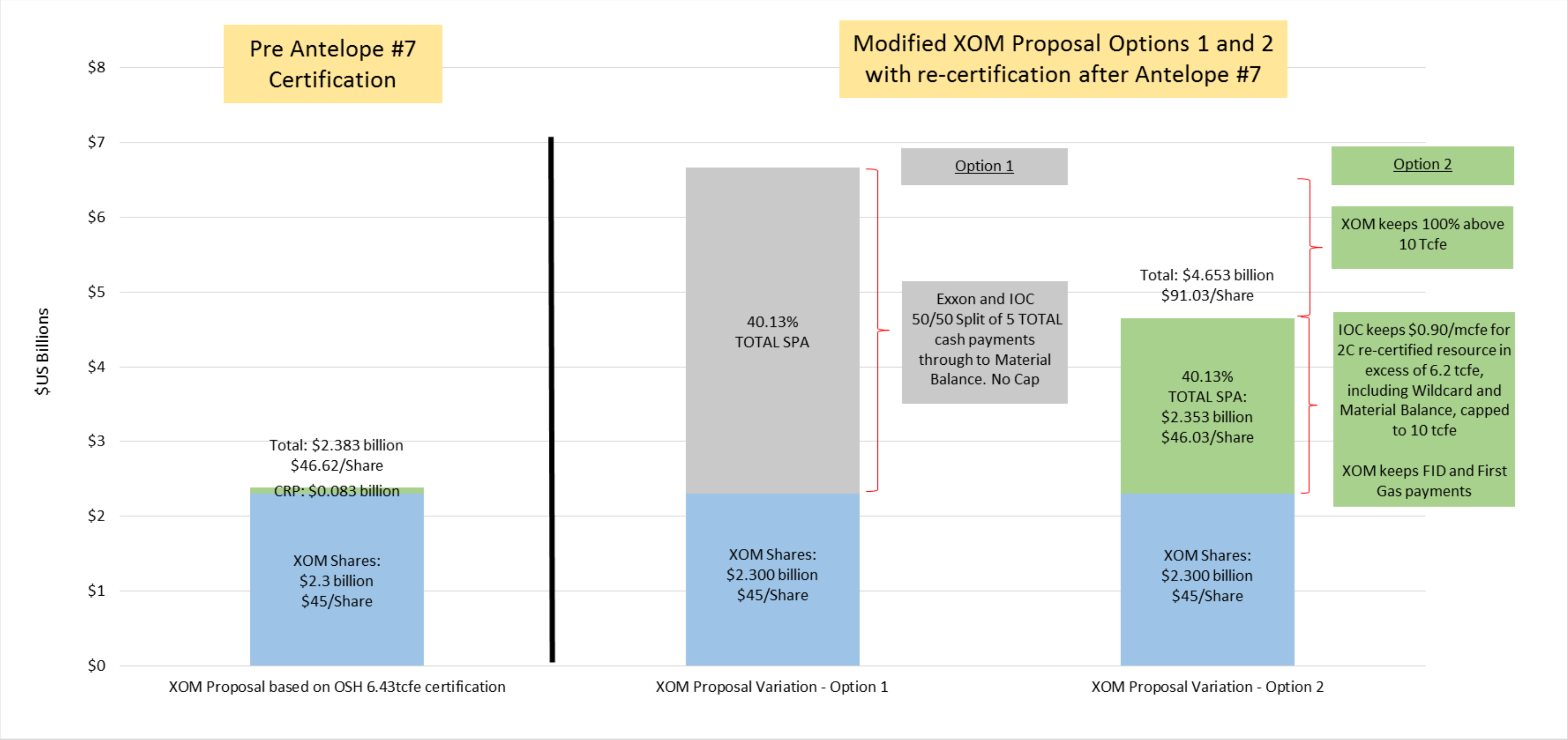
<u>XOM Stock for Remaining 36.54% PRL 15 Interest</u>:

XOM stock at the currently proposed US$45/share is fair consideration for InterOil's remaining 36.54% interest in PRL 15, all the exploration acreage, and the proven Triceratops discovery. (We question the commerciality of the Raptor and Bobcat "discoveries" so the value is fair.)

(* See Slide 8.)

To Reach Fair Value Under XOM Proposal

XOM Proposal values the PRL-15, Triceratops and exploration fairly, however not passing the TOTAL payments to the IOC shareholders – causes a material undervaluation. To reach a fair transaction the XOM CRP must be modified by XOM with Shareholders – two options are detailed below.



The XOM CRP Is Uncertain and Vague

The XOM CRP is uncertain and subject to manipulation and most likely will not provide a fair valuation to InterOil shareholders for shareholders interests in the Elk and Antelope fields.

- **Resource estimates are subject to variation, and certification itself is a complex and iterative process that can be susceptible to manipulation.** The following protective measures help reduce the uncertainty of resource estimate, ability for manipulation and help protect both buyers and sellers:
    - Resource sale agreements to include post production re-certifications, which have access to additional data to refine pre-production estimates;
    - Both buyer and seller to have access to all the independent appraisers, and all the data to advocate their respective views; and
    - Appraisers that are more familiar with the resource are used.
- A Material Balance certification after 15% to 25% of gas production is the fairest way to ensure the resource is correct
- **The XOM CRP has none of these protections for the InterOil shareholders:**
    - The XOM CRP is based on only a **single resource certification:** the Interim Resource Certification, which is to be performed under the TOTAL PRL 15 SPA after the Antelope #7 appraisal well is drilled; but prior to any production from the Elk and Antelope fields;
    - **InterOil shareholders have no direct role in the certification process** and have no means to support their views of the resource. InterOil shareholders can only require XOM to “enforce its rights” against TOTAL S.A. under the TOTAL PRL 15 SPA, but cannot participate directly in the certification process; and
    - The two certifiers designated by XOM to perform the Interim Resource Certification have **no familiarity at all with the Elk and Antelope fields**, suggesting a 25% to 50% bias to the low side.

Potential XOM Conflicts

- XOM is a well-respected firm in the industry, and we ask them to be fair in connection with the Interim Resource Certification and the XOM CRP, by adding the Wild Card and 25% material balance certifications.

- Under the Current XOM CRP, XOM is placed in a **direct conflict with InterOil shareholders**, as it will have a financial interest in reducing the Interim Resource Certification to lower the payment to InterOil shareholders during and after Antelope #7, and recoup the balance of gas and payments from TOTAL S.A. in a Wildcard or Final Certification, after InterOil shareholders have been manipulated and paid out a wrong sum.

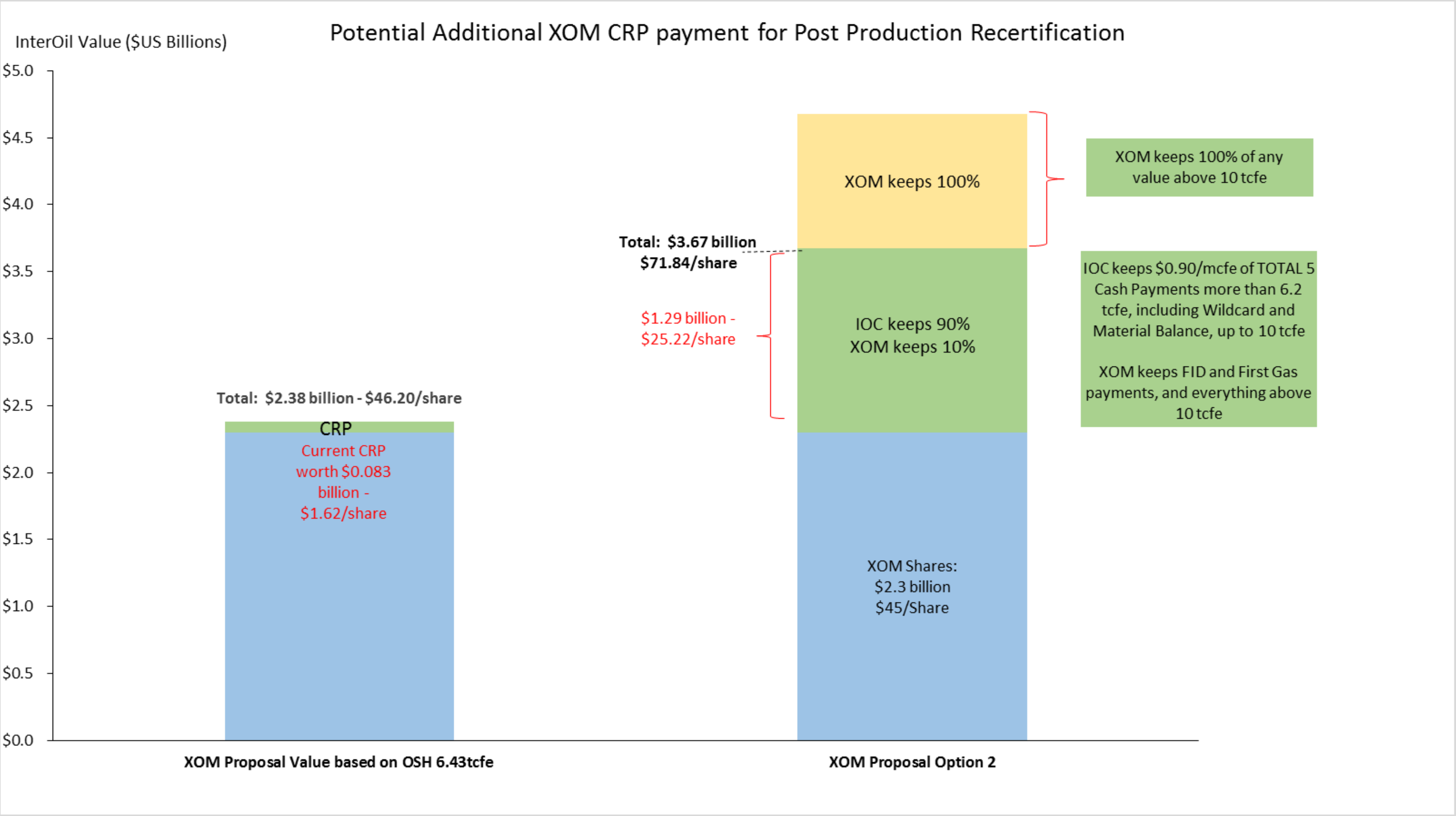
- To avoid this manipulation/uncertainty and to help ensure a more fair valuation for InterOil shareholders, the XOM CRP should be corrected by:

    1. adding **post-production recertification payments (Wildcard and Material Balance) – understanding a 10 tcfe cap and payments are from cashflow – not hurting XOM on an NPV basis**, with cash payments after LNG production and back to back with TOTAL. XOM originally proposed similar post-production recertification payments during negotiations with InterOil in 2013;

    2. including **representatives of InterOil shareholders** in the certification process; and

    3. using **certifiers that are more familiar with the Elk and Antelope field** than those designated by XOM – like GLJ & GCA

A Simple Adjustment – To the XOM CRP



Certification Review by InterOil Shareholders

Under the XOM Proposal, the Interim Resource Certification will be managed solely by XOM without input by InterOil shareholders.

- Currently XOM provides for a "Holders Committee" comprised of two current InterOil directors which will have limited authority to enforce InterOil shareholder rights. IOC will specifically NOT participate in the Interim Resource Certification or have the right to challenge the result.

- Thus, the process is subject to possible manipulation/abuse by XOM and materially weakens the ability to produce a final fair gas/condensate volume for the benefit of InterOil shareholders; thereby damaging the original shareholders' value.

InterOil shareholder representatives must be actively involved with the certifiers to prevent prejudice against them, and ensure all the millions of pieces of available information are used and defended in the process fairly.

- **None of the current InterOil Board members or senior management should have a role.** They have demonstrated their inability and unwillingness to protect shareholder interests and build shareholder value.

- Mr Mulacek requests to represent this role with 2 other nominees by original InterOil shareholders.

Experienced Certifiers

GLJ and GCA, two certifiers which are familiar with the Elk and Antelope fields, have been specifically excluded from participating in the Interim Resource Certification. This is a totally wrong position; we understand this bidding detail was specifically requested by InterOil and XOM. This will knowingly decrease the resource numbers by 25% or greater.

The technical material is too vast and financial damage to great for any new certifier to provide a reasonably accurate estimate starting from zero familiarity. There is simply too much information to process efficiently and the required learning curve is too steep.

- Therefore, first-time certifiers typically apply a big discount to their estimates, often 25% to 50% of what a certifier that is more familiar with the resource might provide.

GCA as well as RPS Knowledge Reservoir (KR) and GLJ Petroleum Consultants (GLJ), all of which have detailed knowledge of the Elk and Antelope fields, should be specifically included in, not excluded from, in the recertification process.

The certifiers must have access to all relevant & current information, all information and data developed in the past by others as well as all internal studies previously prepared by all third party certifiers, InterOil, TOTAL and XOM.

IPI Certification

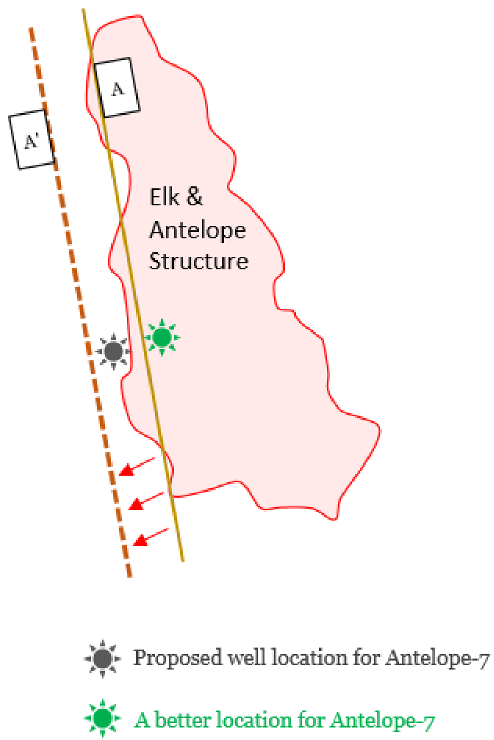
IPI Reserve estimate is 6.43 tcfe by OSH.

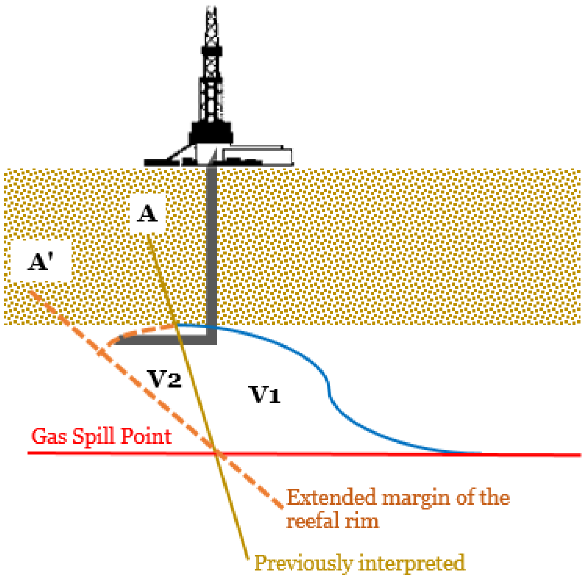
- In connection with its acquisition of a 22.835% interest in PRL 15 from private investors in 2014. OSH announce the gas volume in Elk/Antelope would be 10 tcfe during the OSH conference call. OSH recently caused the Antelope field to be certified by Netherland Sewell & Associates Inc (NSAI) – (new certifier) and Gaffney, Cline & Associates (GCA).
- OSH announced on July 14, 2016, that the average 2C "raw gas" estimate of NSAI and GCA was **6.43 tcfe.**
  - We believe that the fact that NSAI was not familiar being a new certifier with the resource. The result pulled the resource down and damaged IOC shareholders and the IPI holders by hundreds of millions. A clear example that proves these new 3rd party certifiers discount their initial results.
- Although not strictly comparable (see Appendix 8), we believe this estimate strongly indicates that the Interim Resource Certification underlying the XOM CRP payment will be in a similar range. – unless the XOM CRP is modified correctly by XOM to be fair and balanced. The knock-on effect of this misleading low estimate could have the effect of damaging InterOil shareholders by hundreds of millions to over US$1 billion of dollars in reduced XOM CRP payments.

Antelope #7 Appraisal Well

Antelope #7 Well – High risk to materially add increment to the Resource Estimate

- **OSH c**laims that the Antelope #7 appraisal well should confirm an additional 1 to 2 tcfe in PRL 15. However, they stated the gas would be 10 tcfe in the OSH conference call also – proving the short term manipulation existed in the most recent certification by OSH.
- Remember the OSH certification was done after 3 wells Antelope #4, Antelope #5 and Antelope #6 – all which have been reported as excellent. Reservoir pressure data recovered was reported as excellent to support a larger reservoir.
- We believe Antelope #7 appears not to be located correctly to decrease risk and increase shareholder value. A better location and drilling procedure must be done to reduce risk and increase certainty on the fault impact to gas and condensate resources, fault angle and fault location has the greatest degree of success to add value. These detailed engineering and commercial balances to the Location selection, and the methods in drilling and testing materially impacts the proposed CRP payments.
- Until modified, the XOM CRP is 100% dependent on Antelope 7 and its value is at extreme risk and limited value to IOC shareholders.
- It is unfair to place the risk of billions of dollars in potential CRP payments solely on the results of a single appraisal well (Antelope #7), which may be subject to many variables, including:
  - drilling team expertise;
  - data availability and access;
  - location selection; and
  - drilling, completion and testing methods.





V1	Gas Resource	Current
V2	Gas Upside	Fairness
V3	Material Balance	Fairness
V4	Depletion Drive	XOM Keeps

1. Antelope-5 uncovered the extended margin of the reefal rim (A') further to the west than previously interpreted (A).
2. Antelope-7 appraisal would target the structural top of the reservoir, then directionally drilled to evaluate the western bounding fault, and quality of the reservoir rock.
3. Moving the location lowers the risk so that **as we start drilling in the confirmed Antelope reservoir and drill a lateral to find the fault and not miss the fault. Then we can use VSP data to add further definition with highest degree of certainty of fault and understand the reservoir with certainty.**

Summary of Proposals

Modify the XOM Proposed CRP:

Option 1: In regards to the five cash TOTAL S.A. payments: Pay 50% to InterOil shareholders; XOM keeps the 50% balance with no 10 tcfe cap.

OR

Option 2: Alternatively, keep the 10 tcfe cap as proposed by XOM, and improve proposed XOM CRP by providing for a fairer final reserve certification process as follows:

a) Pay InterOil Shareholders in a modified CRP which includes Interim, Wildcard and Final Certification payments for 2C volumes in excess of 6.2 tcfe at US$0.90/mcfe, up to 10 tcfe cap. The Wildcard and Final Certification payments are post-production payments back-to-back with cashflow from TOTAL and will not materially affect XOM on an NPV basis.

b) XOM to retain upside of all certification payments for 2C volumes above 10 tcfe, meaning XOM keeps the depletion drive benefits that can give XOM 25% to 50% gas volume increase at zero cost; and

c) XOM to keep the fixed FID and First LNG Cargo payments from TOTAL.

Part B:

InterOil Management and Institutional Portfolio Managers

InterOil “Scare Tactics” and Appalling Inability to Create Value

- We understand that two senior InterOil Investor Relations executives have been messaging institutions that current management will soon bankrupt InterOil unless the company is sold, to “scare” portfolio managers into supporting the OSH/XOM Proposal.

- This is in addition to the Board’s and management’s reprehensible behavior in negotiating value dilutive transactions such as the XOM CRP Proposal, and then further destroying shareholder value by taking massive stock grants and cash payments for the past two years.

- By our calculations, since I stepped off the Board in November 2013, the total value of all cash and stock payments to the Board and management is approximately **US$ 200+ million (~ US$4.00 share)**

- Over that same period, if the Company is eventually sold for the current XOM Proposal of US$46.62/share, the Board and management will have overseen a decline of over 50% of the Company’s market capitalization, or a loss of over **US$ 2.5 *billion*** in shareholder value!

- How institutional portfolio managers can continue to support the current Board and management in light of this record of outrageous value destruction is incomprehensible. Therefore, we call on all institutions to constructively try to salvage value and improve the Company.

Something Smells Rotten

- During 1Q2016, several InterOil Board members purchased shares of the Company in the market when we understand proposals were actively being discussed by the Board for sale of InterOil either to ExxonMobil for cash or to OSH on terms substantially similar to the current XOM Proposal and former OSH/TOTAL proposal, and others including Japanese parties.

- As demonstrated by the effect on the InterOil share price when the former OSH/TOTAL Proposal was announced, this information was CLEARLY material in that it affected the price significantly.

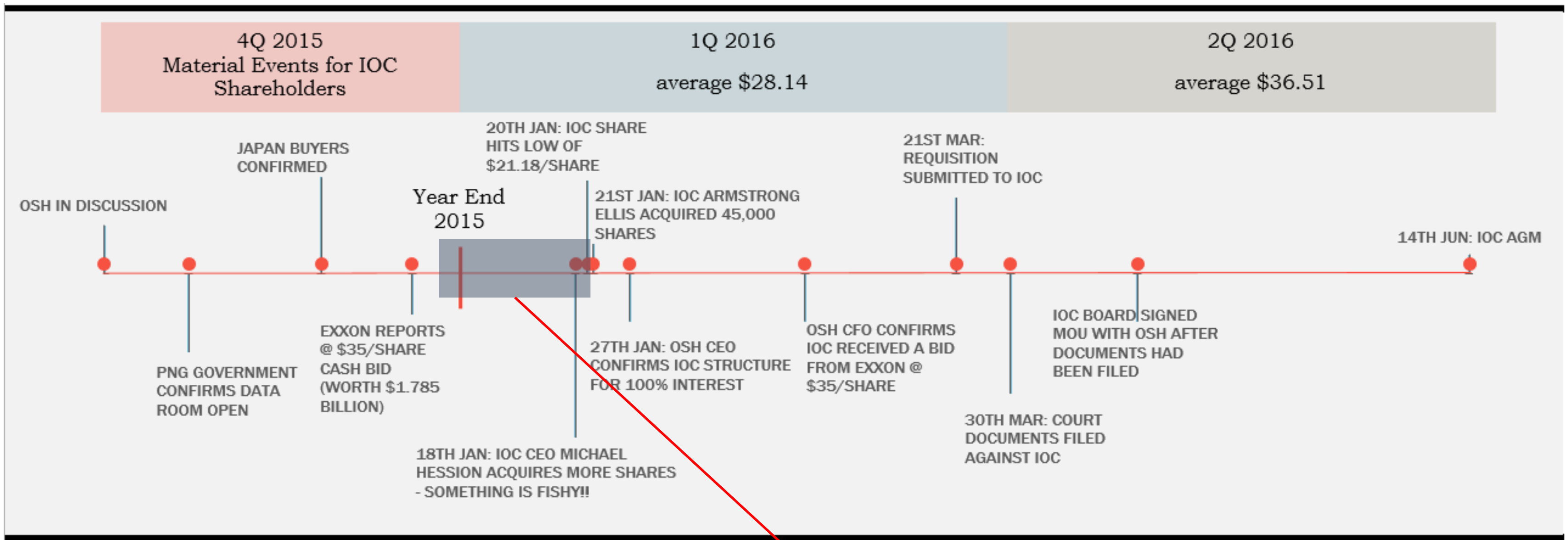
- Thus, it appears these directors were in the market at the time they were in possession of material inside information.

- This is also the FIRST time, to our knowledge, that any of the directors in question purchased shares in the market with their own money.

- We believe the **Alberta** or **Ontario Securities Commission** and the **New York Stock Exchange** should review the facts in this matter to determine whether potential securities law violations occurred.

Something Smells Rotten

Timeline of Events Preceding OSH Announcement



After material offers/discussions had been made and the OSH and XOM proposals were under discussion, InterOil insiders acquired shares, often for the first time, in open market purchases at the lowest recent price.

Even though every transaction has normal CP's and conditions, we believe this was **material nonpublic information** at the time of IOC Board and management trades.

Date	Person	Insider Position	No. of Shares	Share Price
2-Sep-15	Jon Ozturgut	Chief Commercial Officer	4200	33.37
23-Dec-15	David Kirk	SVP Dev & Drilling	4690	32.23
13-Jan-16	David Kirk	SVP Dev & Drilling	4136	24.28
18-Jan-16	Michael Hession	CEO	84675	24.09
21-Jan-16	Ellis Armstrong	Board Member	45000	25.47
22-Jan-16	Christopher Finlayson	Chairman	8000	27.35
11-Mar-16	Jon Ozturgut	Chief Commercial Officer	2402	29.40

* IOC PPS as of Market Close - 28-Jun-16

Wasteful Dilution Supported by Institutional Portfolio Managers

- The new **2016 InterOil Stock Plan**, which was approved at the 2016 Annual General Meeting ("***AGM***"), permitted issue of up to 2 million shares to the Board and current management – assumed to be under normal share plan lasting 4 to 6 years. The stock was wrongly taken in 2 months costing shareholders over US$2.00 per share. This amounts to a dilution of shareholder value of 4.03%*, and will effectively <u>reduce</u> any ultimate payout by that amount. It hurts original IOC shareholders by over US$95+ million, to benefit the current Board and management, who have destroyed billions of dollars in shareholder value!

- Cash payments to Hession, the IOC board and senior management have damaged IOC shareholders a further US$90+ million in the last 2 years. Meaning over 4 million shares of dilution for no accretive value to IOC original shareholders.

- According to our information, retail shareholders firmly supported the Concerned InterOil Shareholders' resolutions at the AGM, and it was the support of a few <u>institutional shareholders</u> that approved the 2016 InterOil Stock Plan without understanding the potential damage to the funds they represent. The intent by the Board and Management to issue 2 million shares in 2 months was never disclosed by IOC and the IOC board.

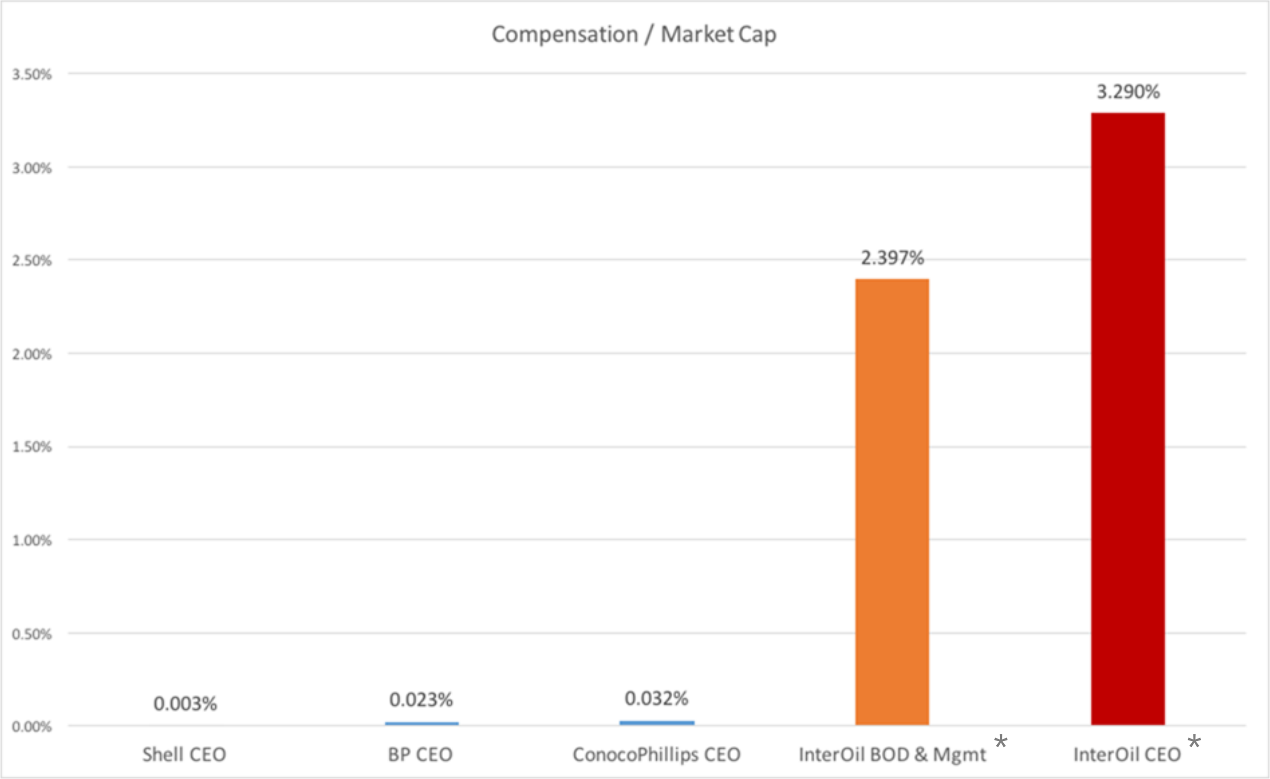
- **I fail to understand why <u>institutional shareholders</u> would have taken such an illogical and, in my view, irrational decision to simply throw away ~US$4.00 per share of any gain on a takeover, unless the stock price was over US$60/share**.

- The total damage done to all InterOil shareholders by a few institutional holders would be approximately **US$200 million**.

(* Based on 49,680,947 InterOil shares outstanding as of the April 25, 2016 record date for the AGM.)

InterOil & Senior Management Extraordinary Golden Parachute

The InterOil CEO is paid far more than his peers in the industry as a percentage of the employer's market capitalization. For example, the Shell, BP and ConocoPhilips CEOs' total compensation is 0.032% or lower than the market cap, while Mr. Hession's total 2015 compensation (including termination payment) is **almost 100 times higher** on a relative basis, at 3.29% of InterOil's market cap. It is also greater than total compensation for all other Board members and executive officers of InterOIl **combined**.



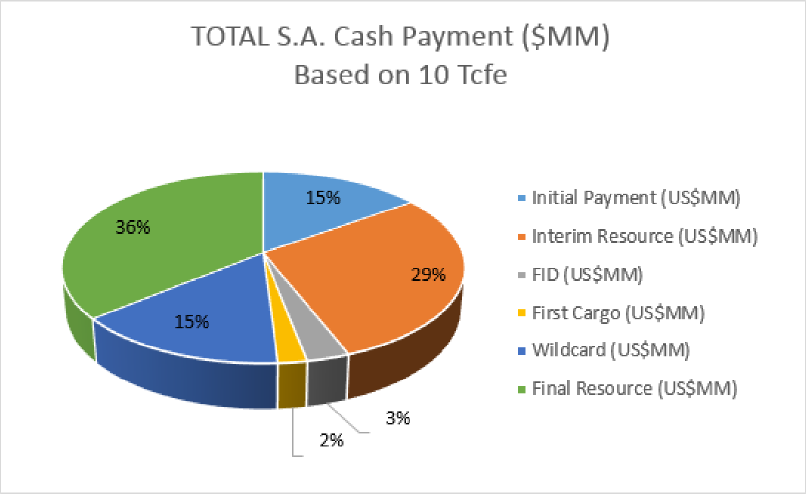
* InterOil BOD = total compensation for 2015 – IOC + Senior Management excluding CEO; info from various public filings
* IOC CEO - Mr Hession salary, compensation, bonuses, RSU, & change of control payment and based on current share price

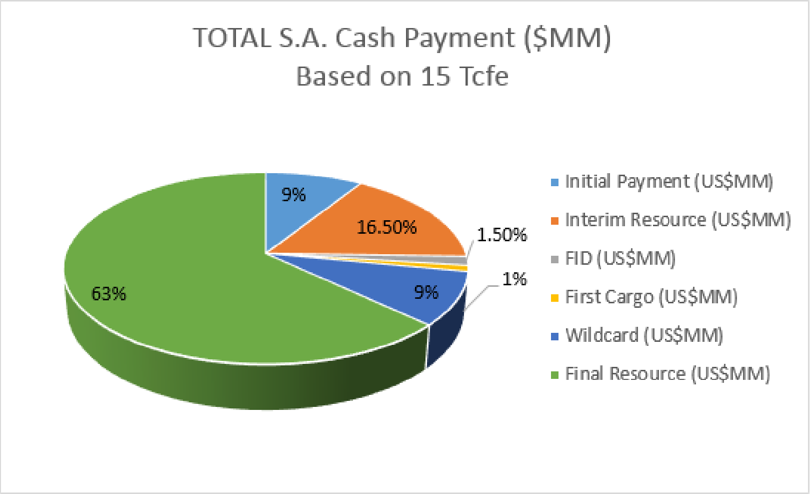
Part C:

Technical and Supporting Information

Appendix 1a: TOTAL, S.A., Cash Payments

	TOTAL S.A. Cash Payment ($MM)						
	Initial Payment (US$MM)	Interim Resource (US$MM)	FID (US$MM)	First Cargo (US$MM)	Wildcard (US$MM)	Final Resource (US$MM)	Total (US$MM)
10 Tcfe	401	788	73	65	424	1003	2754
	15%	29%	3%	2%	15%	36%	100
	Initial Payment (US$MM)	Interim Resource (US$MM)	FID (US$MM)	First Cargo (US$MM)	Wildcard (US$MM)	Final Resource (US$MM)	Total (US$MM)
15 Tcfe	401	788	73	65	424	3010	4760
	9%	16.50%	1.50%	1%	9%	63%	100%





* Assume after 2 years Wildcard is ~ 7.5 Tcfe
** Assume 1st Cert is based on 6.43 Tcfe

Appendix 1b: TOTAL Cash Payments

TOTAL Contract of PRL 15 - 40.13%							
					GLJ		KR
		tcfe	6.43	7.5	10	12.5	15
Payment 1:	Initial	US $ Million	401	401	401	401	401
Payment 2:	Interim Resource	US $ Million	788	788	788	788	788
Payment 3:	FID	US $ Million	73	73	73	73	73
Payment 4:	First Cargo	US $ Million	65	65	65	65	65
Payment 5:	Wildcard	US $ Million	-	424	424	424	424
Payment 6:	Final Resource	US $ Million	-	-	1,003	2,006	3,010
	Total	US $ Million	1,327	1,751	2,754	3,757	4,760
	Cash per share	US $	25.96	34.25	53.87	73.49	93.12

Above amounts assume an Interim Resource Payment based on 6.43 tcfe and Final Resource Payment as indicated.
Mid-range estimate of 10 tcfe is used for all pro-forma calculations in this presentation.

Carry payments and delay of up to US$457 million of the Interim Resource Payment until FID are not reflected.

Appendix 2a: Valuation of 36.54% based on TOTAL, S.A. Pricing for 40.13%

TOTAL, S.A. - Sell 36.54% post FID for same price of PRL 15							
				GLJ		GCA	
		tcfe	6.43	7.5	10	12.5	15
Payment 1:	Initial	US $ Million	365	365	365	365	365
Payment 2:	Interim Resource	US $ Million	718	718	718	718	718
Payment 3:	FID	US $ Million	66	66	66	66	66
Payment 4:	First Cargo	US $ Million	59	59	59	59	59
Payment 5:	Wildcard	US $ Million	-	386	386	386	386
Payment 6:	Final Resource	US $ Million	-	-	914	1,827	2,741
	Total	US $ Million	1,208	1,594	2,508	3,421	4,335
	Cash per share	US $	23.65	31.20	49.07	66.95	84.83

TOTAL, S.A. - Grand Total Cash							
				GLJ		GCA	
		tcfe	6.43	7.5	10	12.5	15
Payment 1:	Initial	US $ Million	766	766	766	766	766
Payment 2:	Interim Resource	US $ Million	1,506	1,506	1,506	1,506	1,506
Payment 3:	FID	US $ Million	139	139	139	139	139
Payment 4:	First Cargo	US $ Million	124	124	124	124	124
Payment 5:	Wildcard	US $ Million	-	810	810	810	810
Payment 6:	Final Resource	US $ Million	-	-	1,917	3,833	5,750
	Total	US $ Million	2,535	3,345	5,262	7,178	9,095
	Cash per share	US $	49.62	65.46	102.97	140.48	177.99

Appendix 2b: Valuation of 36.54% based on OSH IPI Pricing

OSH - Sell 36.54% same price of PRL 15 with IPI							
					GLJ		GCA
		tcfe	6.43	7.5	10	12.5	15
Payment 1:	Initial	US $ Million	1,440	1,440	1,440	1,440	1,440
Payment 2:	First Certification	US $ Million	-	-	-	-	-
Payment 3:	FID	US $ Million	-	-	-	-	-
Payment 4:	First Cargo	US $ Million	-	-	-	-	-
Payment 5:	Second Certification	US $ Million	-	142	850	1,558	2,265
	Total	US $ Million	1,440	1,582	2,290	2,998	3,706
	Cash per share	US $	28.18	30.95	44.79	58.64	72.49

OSH - Grand Total Cash							
					GLJ		GCA
		tcfe	6.43	7.5	10	12.5	15
Payment 1:	Initial	US $ Million	1,841	1,841	1,841	1,841	1,841
Payment 2:	Interim Resource	US $ Million	788	788	788	788	788
Payment 3:	FID	US $ Million	73	73	73	73	73
Payment 4:	First Cargo	US $ Million	65	65	65	65	65
Payment 5:	Wildcard	US $ Million	-	424	424	424	424
Payment 6:	Final Resource	US $ Million	-	-	1,003	2,006	3,010
Payment 7:	First Certification	US $ Million	-	-	-	-	-
Payment 8:	Second Certification	US $ Million	-	142	850	1,558	2,265
	Total	US $ Million	2,767	3,333	5,044	6,755	8,466
	Cash per share	US $	54.13	65.20	98.67	132.14	165.61

Appendix 2c: Excess Cash is Available based on XOM Proposal vs. TOTAL, S.A. Payments

ExxonMobil Deal for 36.54% IOC on PRL 15 release on 18 July 2016

					GLJ		GCA
		tcfe	6.43	7.5	10	12.5	15
Payment 1:	Total Share Price	US $ Million	2,301	2,301	2,301	2,301	2,301
Payment 2:	CRP	US $ Million	83	470	1,373	2,277	3,181
	Total	US $ Million	2,384	2,770	3,674	4,578	5,481
	Cash per share	US $	46.63	54.19	71.87	89.54	107.22

Exxon keeps upside

ExxonMobil - Grand Total Cash

					GLJ		GCA
		tcfe	6.43	7.5	10	12.5	15
Payment 1:	Initial	US $ Million	401	401	401	401	401
Payment 2:	Interim Resource	US $ Million	788	788	788	788	788
Payment 3:	FID	US $ Million	73	73	73	73	73
Payment 4:	First Cargo	US $ Million	65	65	65	65	65
Payment 5:	Wildcard	US $ Million	-	424	424	424	424
Payment 6:	Final Resource	US $ Million	-	-	1,003	2,006	3,010
Payment 7:	Total Share Price	US $ Million	2,301	2,301	2,301	2,301	2,301
Payment 8:	CRP	US $ Million	83	470	1,373	2,277	3,181
	Total	US $ Million	3,711	4,521	6,428	8,335	10,242
	Cash per share	US $	72.58	88.44	125.74	163.04	200.33

Appendix 3 Value Ranges

A "*sum of the parts*" valuation of the Company based on the estimated size of the PRL 15 Elk and Antelope fields would be as follows:

The Real Value Picture

10 tcfe

Part A:	TOTAL Payments:	US$ 46.03/share (US$ 2.35 billion)
Part B:	36.54% Remaining PRL 15 Interest (Blended value)	US$ 46.93/share (US$ 2.40 billion)
Part C:	Discoveries and Exploration	nil
	Value of InterOil	**US$92.96/share (US$4.75 billion)**

12.5 tcfe (mid-case)

Part A:	TOTAL Payments:	US$ 65.64/share (US$3.36 billion)
Part B:	36.54% Remaining PRL 15 Interest (Blended value)	US$ 62.78/share (US$3.21 billion)
Part C:	Discoveries and Exploration	nil
	Value of InterOil	**US$128.42/share (US$6.56 billion)**

15 tcfe – Depletion gas drive

Part A:	TOTAL Payments:	US$ 85.09/share (US$ 4.35 billion)
Part B:	36.54% Remaining PRL 15 Interest (Blended value)	US$ 78.66/share (US$ 4.02 billion)
Part C:	Discoveries and Exploration	nil
	Value of InterOil	**US$163.75/share (US$8.37 billion)**

Even with a fair discount, shareholders should receive significantly more value than offered by the current XOM Proposal.

Appendix 4 Recoverable Resource Estimates

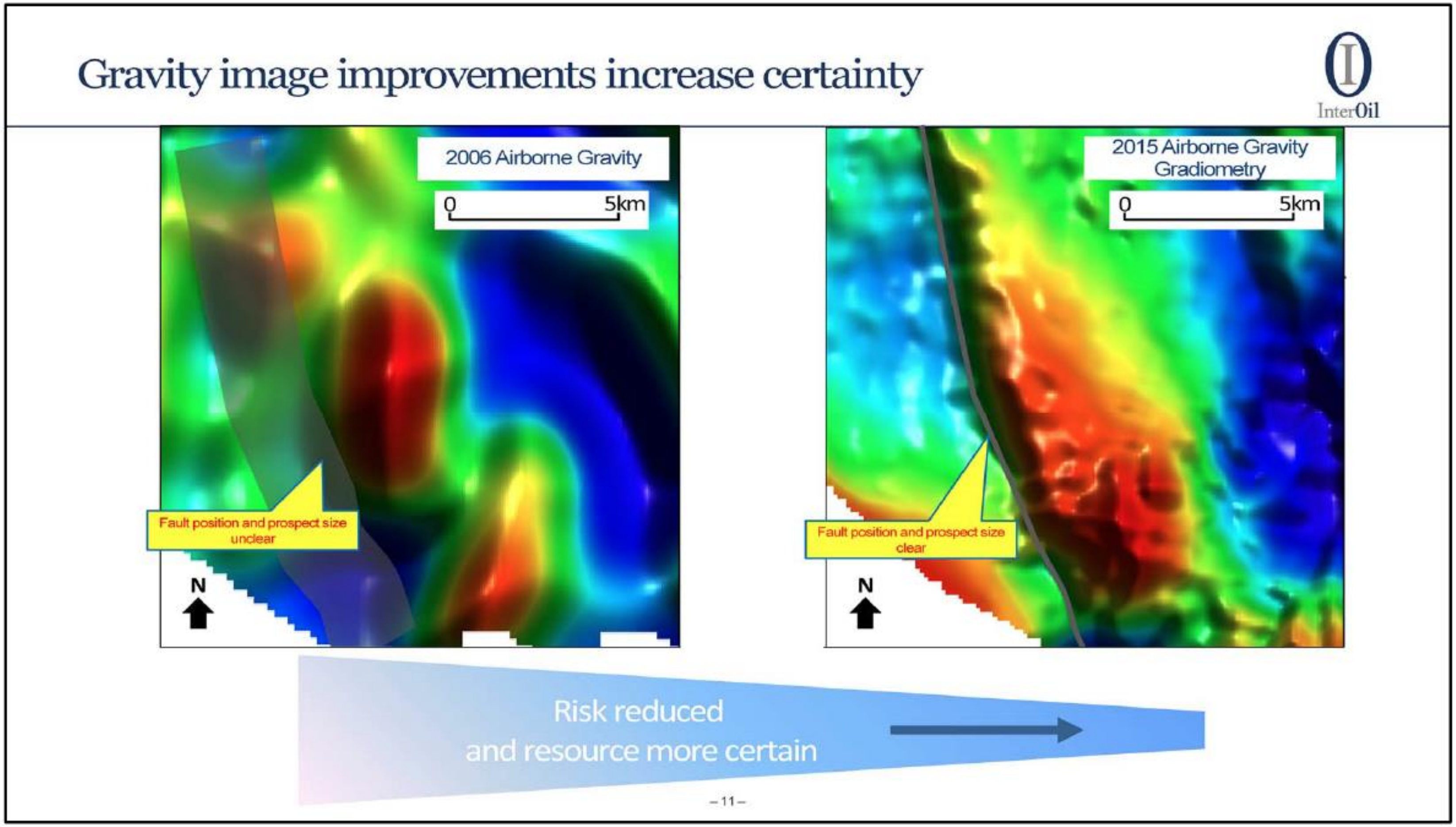
Each new assessment well (Antelope #4, #5, and #6) has indicated a larger field with improved recovery rates. We believe it is reasonable to expect that this trend will continue, so that a post-production recertification would show materially higher values than the Interim Resource Certification.

Year	Certifiers	Units	2C-P50	3C-P10	GIP
	GLJ Volume	Tcfe	8.59	10.40	12.97
	KR Volume	Tcfe	7.87	13.30	16.42
	GCA Volume	Tcfe	6.50	10.20	12.10
2011	**Mean Volume**	**Tcfe**	**7.65**	**11.30**	**13.83**
	GLJ Volume	Tcfe	9.88	11.79	13.34
	GCA Volume	Tcfe	7.16	11.18	12.10
2012	**Mean Volume**	**Tcfe**	**8.52**	**11.49**	**12.72**
2013	**GLJ Volume**	**Tcfe**	**9.88**	**11.79**	**13.34**
2014	**GLJ Volume**	**Tcfe**	**9.88**	**11.79**	**13.34**
2015	**GLJ Volume**	**Tcfe**	**9.98**	**12.13**	**13.34**

Elk-Antelope gas field resource assessments conducted by Gaffney Cline & Associates (GCA), GLJ Petroleum Consultants (GLJ) and RPS Knowledge Reservoir (KR).

Appendix 5A Improved Data & Analysis

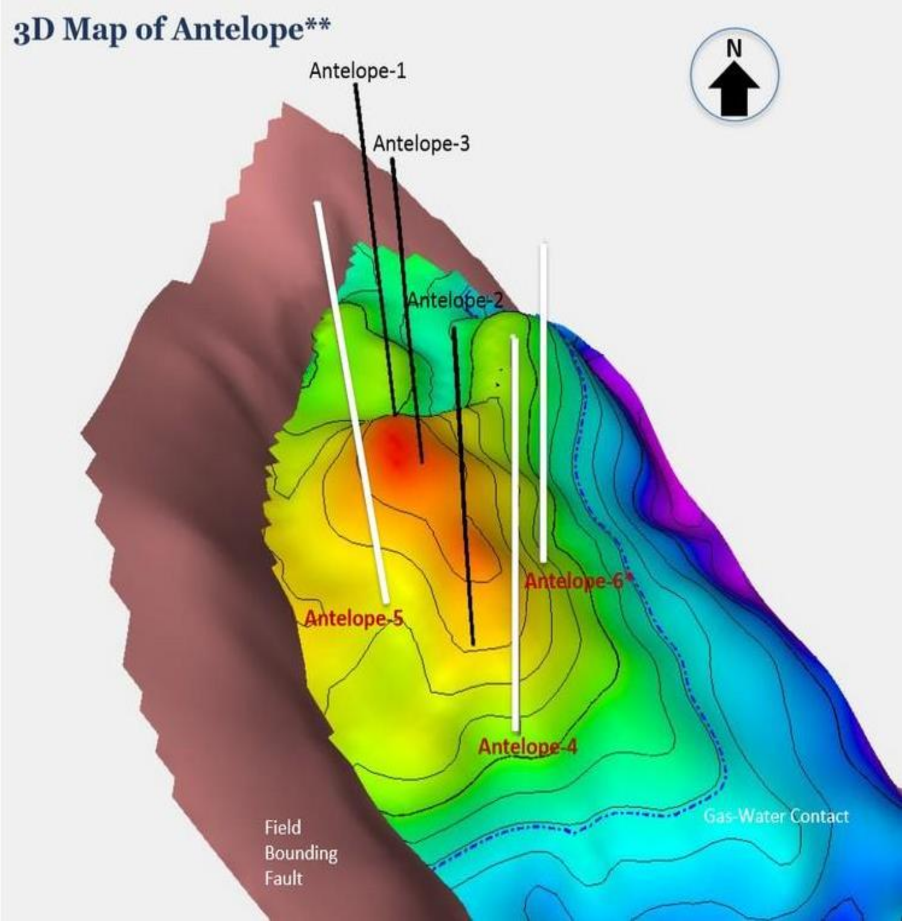
Better data processing of gravity data recently shows much clearer definition of the western fault. This translates into a much better reservoir than was previously thought.



BIGGER AND BETTER

- In November 2015, InterOil CEO Michael Hession stated in a press release that "…our interpretation of data from Antelope-4 and Antelope-5 suggests that the field-wide gas-water contact is deeper than previously interpreted."
- Antelope #4 ST-1 intersected the top of reservoir 118 ft higher than expected, Antelope #5 765 ft higher than expected, and Antelope #3, 220 ft higher than expected.

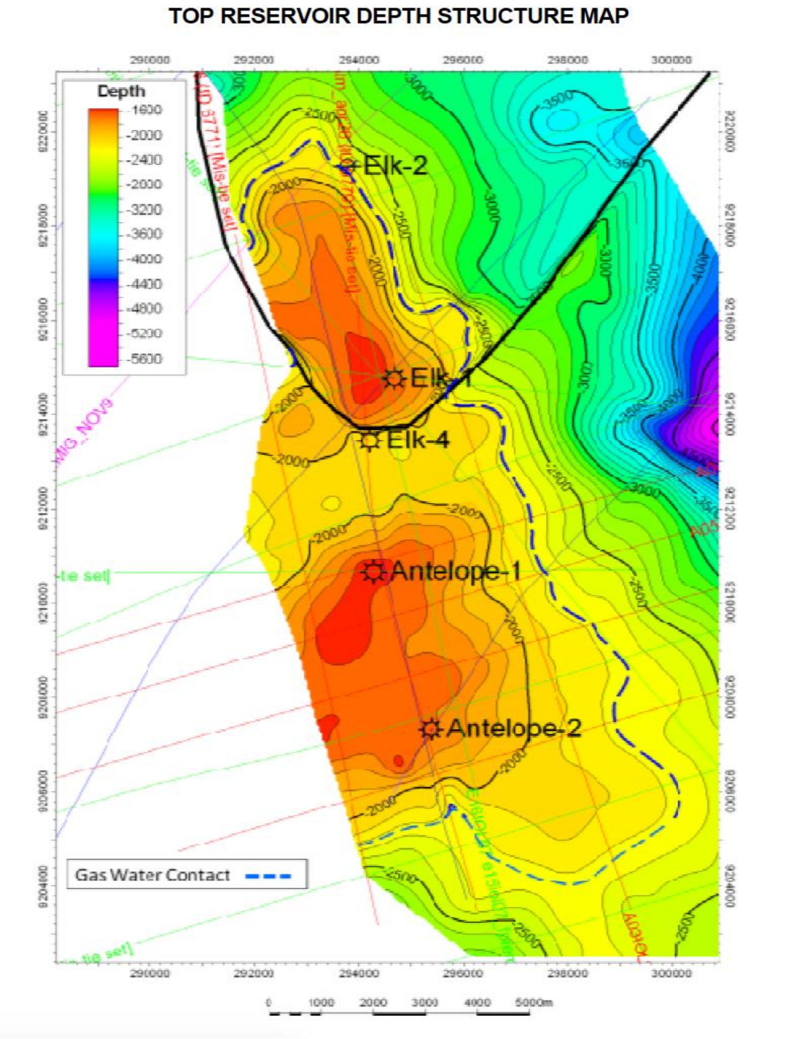
The resource is now estimated to be much bigger than the original estimate.



Appendix 5C Volume & Permeability Increase

- The vertical extent of the field has grown based on 2014 data that pushed down the oil/water contact zone and other data that raised the Top of Reservoir by 230m (765 ft) at Antelope #5 and 66m (220 ft) at Antelope #3 .
- The new wells should have increased the volume significantly from the estimates from both GCA and GLJ. We wonder about the process, persons & parties involved and if all current and past data was used.
- When the additional porosity of the dolomite is taken into account, permeability also increases significantly.

This is a world class asset owned by InterOil shareholders.



Appendix 6: Recoverable Resource Estimates

Overall recoverable resource estimates have climbed steadily. Each new assessment well (Antelope #4, #5 and #6) has indicated a larger field with improved recovery rates – so why damage shareholders with a new 3rd party firm?

- Recovery Volumes: Among other things, it has been determined that the gas/water contact is some 20 meters lower than originally thought and there is increased dolomotization in the reservoir. The combination of these two findings indicate that the volume of gas in place is higher than originally estimated and that a greater percentage of the gas can be recovered. A second key factor that will increase the gas volume, the greater recovery rate estimate can be based on the fact that the Antelope field appears to be a gas depletion drive rather than a water depletion drive structure. Gas depletion drives are proven to have greater recovery rates (more gas volume) than more common water drives and can increase recovery numbers by 25% to 50%.

- We believe the combination of a depletion drive gas case and adding a material balance certification would add billions of dollars in value for shareholders above the value that may result from the Interim Resource Certification after Antelope #7 as proposed by OSH/XOM and the IOC Board.

- Based on proven PNG experience on Elk & Antelope field, and considering the most recent certifications publicly available from GLJ Petroleum Consultants as of December 31, 2015 and Gaffney Cline & Associates as of December 31, 2012, we see the estimate of 2C resources for the Interim Resource Certification is 10 tcfe, increasing to up to 15 tcfe based on a material balance certification that would be determined after production is underway.

Appendix 7 Potential Growth in Resource Estimates Not Captured by CRP

The Antelope field is one of the highest quality hydrocarbon structures in Asia. Based on our experience, the Antelope field has a significant potential upside in estimated recoverable resource that may **only be assessed after production data is available, and could be worth billions in additional value to both InterOil and XOM shareholders.**

Depletion Drive Means Greater Volumes.

- The largest factors affecting a change in the resource estimate in a material balance are volume and the type of depletion drive. 3C volumes can shift to 2C as field pressures can be tied to actual drainage volumes. We believe the Antelope field is a gas depletion drive rather than a water drive, and this can add 25% to 50% to the resource pending how the volume is discounted in the Interim Resource Certification.

- However, the timeline for calculating the CRP is carefully shortened to be calculated after Antelope #7 but intentionally before FID and before any production data is available. We believe this key point materially reduces the value of the CRP; when combined with a new 3rd party certification firm, limited time, limited access to data, and excluding a Material balance certification and payment.

TOTAL PRL 15 SPA Provides for 4 Additional Cash Payments after near Interim Resource Certification

- “Wildcard” recertification (which either party may require within a fixed period after production starts), and a final optional material balance recertification after 25% of the field has been produced. These important safeguards are **not present in the CRP under XOM Proposal.**

- ***This is especially important in view of OSH’s statements in 2014 that the Antelope structure may have over 10 tcfe. This statement was made after repeated independent studies released by GLJ and Knowledge Reservoir independent studies confirming 10 TCFE of 2C resources.***

Appendix 8 Raw Gas vs. Hydrocarbons and Condensate

XOM to retain the First Gas and FID payments should mean condensate must remain as a part of the overall gas volume in tcfe terms – which is normal in industry and an adjustment down for inert gases like CO_2

<u>*Raw Gas*</u>

- Raw Gas means Natural Gas, including Condensates and non-hydrocarbon compounds before processing gas. This was the measure that was used in the OHS IPI certifications.

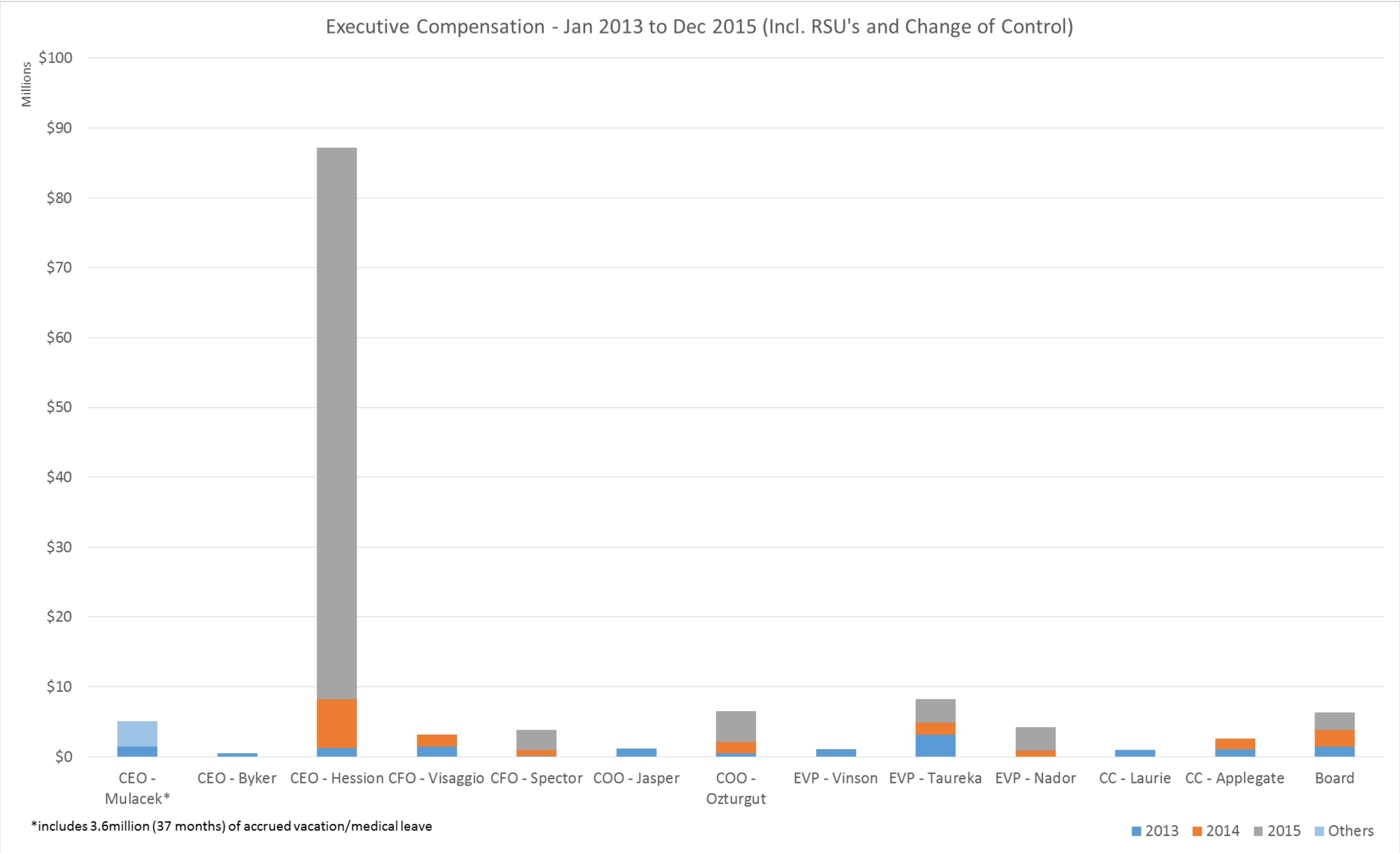
<u>Hydrocarbons and Condensate</u>

- Hydrocarbon Gas means Natural Gas and Condensate excluding non-hydrocarbon compounds. This is the measure that will be used for the Interim Resource Certification and the CRP. The net difference from Raw Gas is typically about a 10% reduction by excluding non-hydrocarbon compounds

In all volumes and payments the Tcfe – means condensate must be included

Appendix 9 InterOil & Senior Management Extraordinary Golden Parachute

Executive - Total Compensations of past and current management.



* info from various public filings and based on current share price

Part D:

Alternatives to Secure Value

Alternatives to Secure Value

Alternatively, instead of modifying the XOM Proposal, InterOil could pursue a different structure to maximize shareholder value:

TOTAL Cash Payments:

- **Distribute 80%** directly to IOC shareholders; and
- **Retain 20%** and apply to reduce current debt and fund development of a retained 6.5% interest in PLR 15 and other exploration.

Remaining 36.54% PRL 15 Interest:

Sell a net 30% from the remaining 36.54% InterOil interest in PRL 15 (IOC retains 6.54%).

- Sell 30% of PRL-15.
- Proceeds allocated as above for TOTAL Cash Payments

Discoveries and Exploration and 6.54% PRL 15 Interest:

Retain and develop exploration acreage and remaining 6.54% interests in PRL 15 and Papua LNG with new Board and development team that would maximize value and protect shareholder interests.

Thank you

Phil Mulacek