

FOR IMMEDIATE RELEASE:

March 31, 2016

Founding Shareholder Calls For Special Meeting of InterOil Shareholders

- *Proposes resolutions to improve corporate governance and provide greater transparency to shareholders*
- *Calls for changes to ensure management compensation aligned with shareholder value creation, improvements in director competency, and to institute third party reviews of reserves, resources and development plans*
- *Calls for shareholder approval for transactions over 10% of total asset value to ensure greater alignment with shareholder interests*

HOUSTON, TEXAS - March 31, 2016 – The founding shareholder and former chairman and Chief Executive Officer of InterOil Corporation (“InterOil” or the “Company”) (NYSE:IOC), Phil Mulacek, and Petroleum Independent & Exploration, LLC (the “Concerned InterOil Shareholders”), announced today that the Concerned InterOil Shareholders and certain other shareholders who collectively own over 7.5% of the issued and outstanding shares of the Company have requisitioned (the “Requisition”) a special meeting of InterOil shareholders (the “Special Meeting”) at which shareholders will be asked to approve several resolutions focused on improving the corporate governance of InterOil.

“These proposals reflect fundamental concerns of the Concerned InterOil Shareholders about the Board’s approach to setting the Company’s strategy and its oversight of management. They are intended to increase transparency and align Board and management compensation with growth in shareholder value. If passed by shareholders and adopted by the Board, these proposals will also provide for meaningful shareholder input on transactions that materially affect shareholder value,” Mr. Mulacek said.

“The objective of the Concerned InterOil Shareholders is to help ensure that future transactions are accretive to the long-term growth in shareholder value. The Concerned InterOil Shareholders look forward to engaging in a constructive dialog with the Board and our fellow shareholders and working with the Company to implement the policies we believe are required to position InterOil for success,” continued Mr. Mulacek.

The Requisition proposes that resolutions addressing the following matters be put to a vote by InterOil’s shareholders:

- reducing the size of the InterOil board of directors (the “Board”) from ten to six, which the shareholders may specify under the Company’s By-laws. The Concerned InterOil Shareholders believe that the Company’s current ten-member Board is too large and expensive for a company with no operations and that reducing the size of the Board and aligning it more with shareholder interests through the other proposals in the Requisition would more efficiently use the Company’s capital and other resources and enhance shareholder value going forward;

- requesting the Board to amend InterOil’s compensation policy to ensure industry best practices and align director and management compensation with shareholder value accretion by limiting the cash component of director compensation, imposing holding periods on equity compensation and restricting “change of control” cash payments to senior managers;
- requesting the Board to amend InterOil’s policy on qualifications of Board nominees to increase focus on core competencies related to InterOil’s onshore oil and gas assets in Papua New Guinea by requiring that at least one-third of the directors have direct experience in exploration and development of such assets. In the Concerned InterOil Shareholders’ view, having proven PNG expertise in a significant number of the directors would enhance the Board’s ability to supervise and direct management’s choice and execution of exploration and development projects in Papua New Guinea;
- requesting the Board to amend the manner and extent of required third-party reviews of InterOil’s reserves and resources to strengthen and include review of management’s discovery announcements and development plans so that shareholders and the public may more fully understand InterOil’s operations. The Concerned InterOil Shareholders believe that this enhanced third-party review will increase the transparency of the Company’s disclosure about its resources/reserves and discoveries; improve the quality and objectivity in the Company’s decision-making process in determining whether and how to explore and develop its assets; improve management accountability to shareholders; and reduce the likelihood that the Company’s capital and other resources will be spent on exploration and development projects that are unlikely to be commercially viable;
- requesting the Board to amend its charter to require shareholder approval of transactions over 10% of total asset value to help ensure that in the future, material transactions are more aligned with the interests of InterOil’s shareholders. The Concerned InterOil Shareholders believe that certain recent material transactions the Company has undertaken without Shareholder approval, including the transaction with TOTAL S.A., have been non-accretive for Shareholder value. To help ensure that future material transactions are aligned with the interests of Shareholders, the Concerned InterOil Shareholders believe that the Board and management should be required to obtain prior Shareholder approval of material transactions in order to avoid transactions that, among other things, may impair the Company’s capital or its ability to undertake its core operational business of exploration and development of upstream oil and gas in Papua New Guinea, or that trigger payments of transaction break-up fees through failure to secure Shareholder approval of the transaction; and
- requesting the Board to adopt and comply with a rigorous disclosure policy to further increase transparency and consistency in public disclosure and accountability of the Board and management to shareholders.

The Concerned InterOil Shareholders have suggested that the Special Meeting be held in conjunction with the June 14, 2016 annual and special meeting of shareholders, which InterOil recently announced (the “InterOil 2016 Meeting”). The Requisition has been made pursuant to the *Business Corporations Act* (Yukon).

InterOil has not yet responded to the Concerned InterOil Shareholders regarding the Requisition. InterOil has until April 12, 2016 to call the Special Meeting. If InterOil does not call the Special Meeting by that time, the Concerned InterOil Shareholders are themselves entitled to call the Special Meeting.

Advisors:

The Concerned InterOil Shareholders have retained Wildeboer Dellelce LLP and Taft Stettinius & Hollister LLP as its legal advisors, and Bayfield Strategy as its strategic communications advisor in connection with this matter.

About Phil Mulacek:

Mr. Mulacek is the founding shareholder of InterOil and served as chairman, CEO and a director until his retirement from the company in November, 2013. During his tenure at the company, its market capitalization grew from approximately US\$10 million (~ US\$0.50/share) to over US\$4.5 billion (~ US\$92.00/share) at his departure. The company also constructed the first petroleum refinery in Papua New Guinea, a 36,000 bpd facility at Napa Napa, with a fully integrated downstream business that contributed to support of the company.

Mr. Mulacek led InterOil's discovery of the world-class Elk and Antelope gas fields in the Gulf Province of Papua New Guinea, with approximately 10 to 15 tcf of certified hydrocarbon resource, and the nearby Triceratops gas field, with approximately 1 tcf of certified hydrocarbon resource. These fields have been among the largest onshore discoveries in PNG and Asia recent years.

Since retiring from InterOil in 2013, Mr. Mulacek has remained actively involved in the upstream oil and gas industry in Papua New Guinea, the US and elsewhere globally through his affiliated companies with offices in Singapore and branch offices in the United States. He resides in Singapore.

Cautionary Statement Regarding Forward-Looking Statements:

This press release 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 the Concerned InterOil Shareholders and currently available information. They are not guarantees of future performance, 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. The Concerned InterOil Shareholders do not assume any obligation to update any forward-looking statements contained in this press release.

Information Contact:

For additional information on this press release and a copy of the Requisition (including the proposed resolutions), please contact the Concerned InterOil Shareholders at +1 (832) 510-7028, or by email at info@concernedinteroilshareholders.com

Media Contact:

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Additional Information:

The Concerned InterOil Shareholders do not know at this time whether the business called for in the Requisition will be put to a vote by the shareholders of InterOil at the InterOil 2016 Meeting.

Information in Support of Public Broadcast Solicitation:

The Concerned InterOil Shareholders are relying on the exemption under section 9.2(4) of National Instrument 52-102 - *Continuous Disclosure Obligations* to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations.

This solicitation is being made by the Concerned InterOil Shareholders and not by or on behalf of the management of InterOil.

The address of InterOil is 163 Penang Road, Winsland House II, #06-02, Singapore, 238463.

The Concerned InterOil Shareholders have filed an information circular dated March 31, 2016 (the “Concerned InterOil Shareholders Circular”) concerning the Requisition, which is attached as an Exhibit to the Concerned InterOil Shareholders Circular. The Concerned InterOil Shareholders Circular will be available on InterOil’s company profile on SEDAR at <http://www.sedar.com>. The Concerned InterOil Shareholders have also filed a statement of beneficial ownership on Form 13-D (the “Form 13-D”), with the U.S. Securities and Exchange Commission. The Form 13-D also includes the Requisition as an Exhibit and is available at https://www.sec.gov/Archives/edgar/data/1221715/000114420416090986/v435587_sc13d.htm.

A copy of the Requisition was delivered to InterOil on March 21, 2016, and is included with this press release.

The Concerned InterOil Shareholders have not yet made a determination as to whether they will formally solicit a proxy from any person in connection with the Requisition. If the Concerned InterOil Shareholders do choose to solicit proxies for the InterOil shareholders meeting they may do so by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person by directors, officers and employees of the Concerned InterOil Shareholders who will not be specifically remunerated therefor. In addition, the Concerned InterOil Shareholders may solicit proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws, conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. The Concerned InterOil Shareholders may engage the services of one or more agents and authorize other persons to assist them in soliciting proxies on

behalf of the Concerned InterOil Shareholders.

At this time, the Concerned InterOil Shareholders have not entered into any agreement pursuant to which an agent has agreed that it will act as proxy agent for the Concerned InterOil Shareholders should the Concerned InterOil Shareholders commence a formal solicitation of proxies. All costs incurred for the solicitation will be borne by the Concerned InterOil Shareholders.

A registered holder of common shares of InterOil that gives a proxy may revoke it: (a) by completing and signing a valid proxy bearing a later date and returning it in accordance with the instructions contained in the form of proxy to be provided by the Concerned InterOil Shareholders, or as otherwise provided in the proxy circular, once made available to shareholders; (b) by depositing an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing, as the case may be: (i) at the registered office of InterOil at any time up to and including the last business day preceding the day the meeting of InterOil shareholders or any adjournment or postponement of the meeting is to be held, or (ii) with the chairman of the meeting prior to its commencement on the day of the meeting or any adjournment or postponement of the meeting; or (c) in any other manner permitted by law.

A non-registered holder of common shares of InterOil will be entitled to revoke a form of proxy or voting instruction form given to an intermediary at any time by written notice to the intermediary in accordance with the instructions given to the non-registered holder by its intermediary. It should be noted that revocation of proxies or voting instructions by a non-registered holder can take several days or even longer to complete and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the form of proxy or voting instruction form to ensure it is given effect in respect of the meeting.

Neither the Concerned InterOil Shareholders, nor any directors or officers, or any associates or affiliates of the foregoing, has: (i) any material interest, direct or indirect, in any transaction since the beginning of InterOil's most recently completed financial year or in any proposed transaction that has materially affected or would materially affect InterOil or any of its subsidiaries; or (ii) any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter currently known to be acted on at the upcoming meeting of InterOil shareholders, other than the matters set forth in the Requisition.

However, certain of the Concerned InterOil Shareholders are the beneficial holders of minority indirect participation interests in certain of InterOil's petroleum prospecting licenses and petroleum retention licenses in Papua New Guinea under indirect participation agreements with InterOil. The Concerned InterOil Shareholders believe that these indirect participation interests are not material to InterOil but are nevertheless fully aligned and not in conflict with the interests of InterOil shareholders.