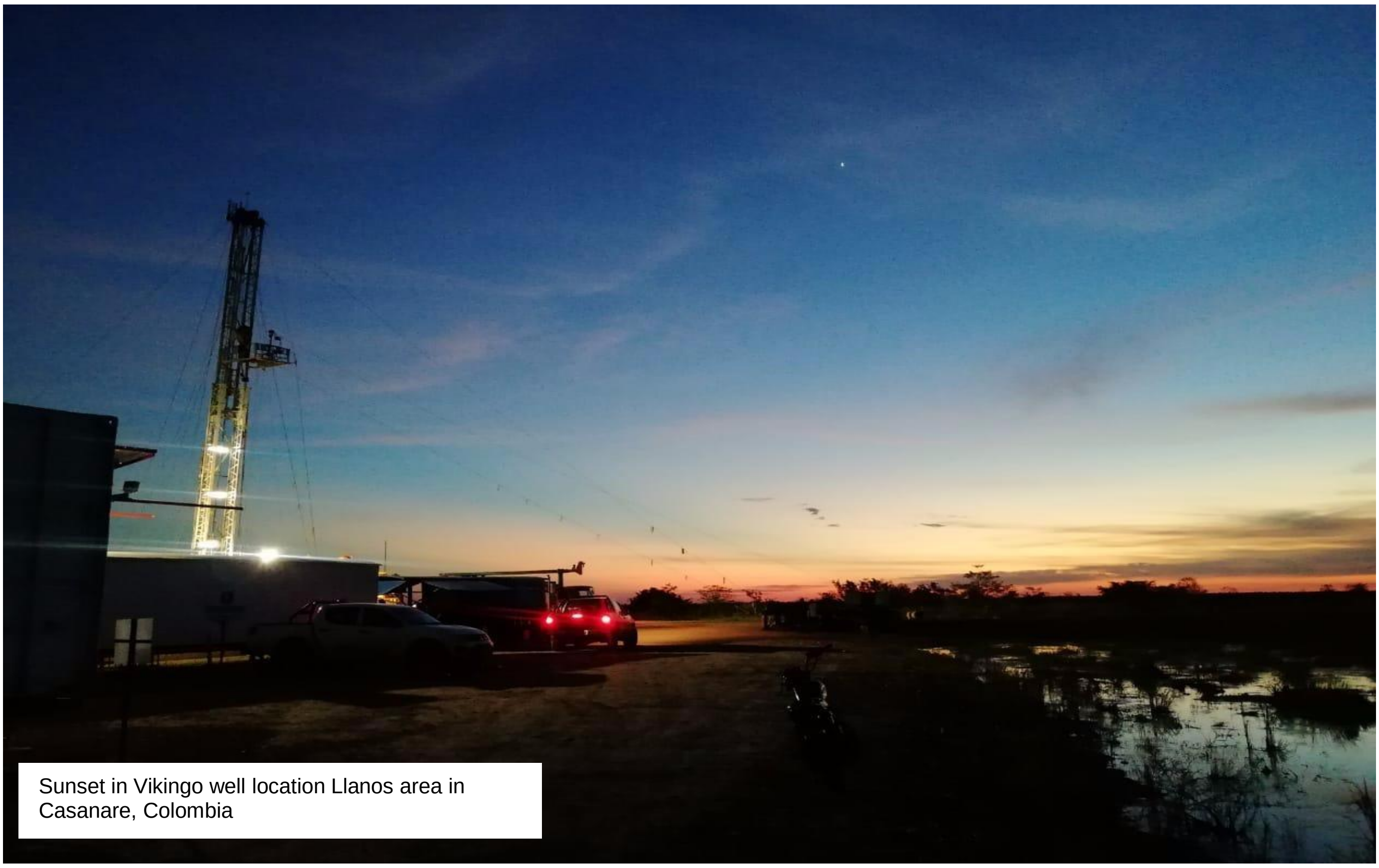
Report for the third quarter 2018



Sunset in Vikingo well location Llanos area in Casanare, Colombia

Interoil Exploration and Production ASA
c/o Advokatfirmaet Schjødt AS
Ruseløkkveien 14
0251 Oslo, NORWAY
WWW.INTEROIL.NO
INFO@INTEROIL.NO

Key figures

	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Gross production oil/gas (boe)	121 398	135 070	159 040	145 755	149 477	96 812
Production oil/gas (average boepd)	1 334	1 468	1 729	1 584	1 625	1 052
Oil/gas sold (boe) *	80 745	97 612	122 153	110 948	115 012	65 679
Oil price average (USD/bbl)	47.2	49.4	57.8	63.2	70.7	70.4
Revenues (USDm)	3,6	4,1	5,3	6,1	7,4	3,9
EBITDA adjusted for exploration expenses (USDm)	1,2**	1,6	2,4	3,2	4,0	1,2
Operating profit (USDm)	-1,2	-0,4	0,3	0,8	1,5	-0,1
Exploration expenses (USDm)	-	0,4	1,4	0,2	0,1	0,2
Net loss/profit (USDm)	-2,3	-1,8	-0,8	-0,3	0,1	-0,8
Cash and cash equivalents at end of period (USDm)	9,2	7,1	7,5	6,7	7,9	6,4

Note: New IFRS 15 requirements change the way Interoil recognizes revenues and oil working interest participation. As from 1Q 2018 partners participation not paid in kind is presented as part of revenues and Working interest production.
* 2017 oil figures (net working and sold barrels) were recalculated to make it comparable with 2018 figures based on IFRS 15 requirements.
** Nonrecurring items were included, employee severance, management bonus and PeruPetro litigation provision.

- Due to Vikingo's workover operation sales decreased generating a 47 % decrease in revenues during the quarter from USD 7.4 million in Q2 2018 to USD 3.9 million in 3Q 2018.
- The Company delivered an EBITDAx (EBITDA adjusted for exploration cost) of USD 1.2 million, the lower in the year.
- Net comprehensive losses came in at USD 0.8 million (Q2 2018: USD 0.1 million profit).

Subsequent events:

- On November 6th Vikingo's workover operation successfully finished. The company will continue testing and evaluating the lower C7 formation
- The Arbitration Tribunal acting in the controversy between Interoil Colombia and the ANH to settle all the claims and disputes concerning the Exploration and Production Contract No. 68, Block COR-6 approved the conciliation agreed to by Interoil Colombia and the ANH. As a result, Interoil is released from any liability, penalty or responsibility relating to the COR-6 Contract.

Business overview

Interoil is the operator of two production licenses (Puli C and Altair) and one exploration license (LLA 47) in Colombia.

Interoil acquired the Colombian assets in 2005 from Mercantile International Petroleum Inc. and has since then been successful in increasing production and the resource base through enhanced recovery from existing wells, successful drilling of new production wells, extension of existing fields as well as discovery of new accumulations through exploration.

Exploration

Interoil holds a 100 % working interest in the LLA-47 exploration block covering an area of 447 km^2, acquired in 2010 from an ANH bidding round. Interoil successfully drilled and completed Vikingo-x1 in 2017. The well came on stream in August 2017. This discovery adds value for the other prospects identified within the block, pointing towards a potentially promising outcome for the coming drilling campaign.

The ANH has approved Interoil's plan to drill Malevo-x1, a neighbouring exploratory well to Vikingo-x1. Malevo-X1 will be targeting the Gacheta formation, the deepest of the three target formations (being the other two C5 and C7) hoping to validate some isolated hydrocarbon indication whilst drilling Vikingo-x1. Interoil and SLS are negotiating terms to include this new target or replace one of the previous prospects in the existing Participation Agreement. As negotiations continue, drilling of the next well will likely not start until 2019.

In October 2018 Interoil performed a production test in Vikingo-x1 aimed at independently evaluate the lower C7 and C5 intervals. The first produced a steady flow of 92 bopd with 375 bwpd of formation water (water cut of 77 %) whereas C5 stabilized flow at 350 bopd with only 2 % water cut. The well is currently producing from the C5 layer.

Production

Working interest production of oil and gas decrease from 120,215 boe in Q2 2018 to 68,984 boe in Q3 2018. Oil prices maintain stable in levels around USD70/bbl. (USD 70.4/bbl. in Q3 - USD 70.7/bbl. in Q2 2018) and the gas price was as well stable. The net number of barrels sold during the period was 65,679 bbls compared to 115,012 bbls in Q2 2018.

The geological structure in Puli C is challenging and complex and Interoil's technical team is carefully developing new strategies to enhance recovery ratio. A new dynamic reservoir model is being developed and enhanced measures aimed to increase the recovery factor are being evaluated, including water flooding and chemical injection. During this quarter, the petrophysical model has been finalized and we are moving into the process of adjusting the static geological model as to match the model with the field's historic production.

In Puli C Interoil is, as previously reported, evaluating the installation of a new artificial extraction system by replacing the current progressive cavity pump (Moineau pumps) with positive pumps. In the third quarter, the first two pumps were successfully installed, and we are finalizing the setup optimization stage before moving into performance evaluation.

The Company is also working to meet the requirements for an upgrade of the environmental license incorporating the gas treatment facilities. Interoil is unable to accurately estimate how long this process may take. Meanwhile, the Company will continue evaluating alternatives to this project with the view of maximizing efficiencies.

Relationship with the Duya community has improved, but regardless of this Interoil is advancing work on 'The Northern Road' to secure alternative access in the Llanos Basin. Interoil is in the process of acquiring required legal approval from local authorities and right-of-way from private landowners. Interoil expects that this alternative access will be available around 1Q 2019 when the dry season starts.

To add further operational flexibility, Interoil has approached Perenco, a neighbouring oil field operator, to deliver Vikingo's oil production through Perenco's oil pipeline. An agreement will bring Vikingo's operation synergies leading to cost reduction and allows Interoil to isolate Vikingo's operation from future blockage or force measures from the native communities affecting our oil export route.

P&L comments

Quarterly revenues decreased 15% compared to same period last year from USD 4.1 million (Q3 2017) to USD 3.9 million, due to lower sales as a result of Vikingo's workover which offset the 43% price increase year on year. Revenues in Q1 and Q2 2018 was USD 6.7 million in average.

Operating result came in at USD 0.1 million losses for the quarter, a decrease compared to USD 1.5 million in Q2. Due to the change in 'non-in-kind partners' recognized cost of goods sold is higher in USD 0.1 million during the quarter.

Net finance cost for the quarter of USD 0,7 million (Q2 2018: USD 0.5 million) mostly related to interest expenses led to a loss before income tax of USD 0.8 million (Q2: 1.1 million loss).

Total comprehensive loss for the quarter amounted to USD 0.8 million (Q1: USD 0.1 million profit).

Balance Sheet and Equity

Non-current assets of USD 29.6 million corresponds to fixed asset in Colombia. Interoil held USD 6.4 million in cash at the end of the quarter, of which USD 4.0 million was restricted. The restricted cash relates primarily to cash collateral for guarantees and loans.

As of 30 June 2018, book equity for the consolidated Group was negative USD 7.6 million.

Of Interoil's non-current liabilities of USD 42 million, USD 37.3 million relates to the USD bond loan and USD 0.7 million relates to leasing for offices in Bogota.

A deferred tax liability of USD 1.7 million relates to the non-cash impact of exchange rate changes on the tax base of non-monetary assets and liabilities, and provisions and retirement benefit obligations amounts to USD 2.3 million.

Current liabilities of USD 7.3 million relate to bank loans in Colombia of USD 2.0 million and trade and other payables/provisions of USD 3.1 million.

In addition to the interest-bearing debt outlined above, Interoil has off-balance sheet commitments relating to required work programs on its exploration licenses (see Annual Report 2017), that are guaranteed with bank standby letters of credit.

Further to combing phases 1 and 2 on the Altair and LLA-47 licences, the Group is currently in discussion with the ANH to determine the impact on the Group's guarantee obligations, which will continue to be reduced once the remaining wells are drilled.

In June 2018 Interoil and the ANH reached an agreement to settle all outstanding claims and disputes between Interoil Colombia and the ANH concerning the Exploration and Production Contract No. 68, Block COR-6. The settlement includes a termination of the COR-6 Contract by agreement and a mutual waiver and definitive release of the parties to make any claim with regard to the COR-6 Contract. By means of the resolution of the Arbitration Tribunal dated 2 October 2018, the tribunal has approved the Conciliation Agreement giving full effects to its provisions and terminating the dispute subject to arbitration.

Cash flow

During 2018 the Company generated cash flows from operations of USD 5.6 million, financing cash outflows of USD 3.6 million and cash outflows from investing activities of USD 3 million.

Financial outflows relate to interest payments of USD 1,9 million and repayment of loans of USD 1.8 million.

The Group had a net cash outflow of USD 1.1 million during the period.

Outlook

Interoil continues to pursue a strategy which involves diligent management of production and reserves in the Puli C and Altair fields, and from the Vikingo well. The company is continually considering activities that would increase recovery rate and remove bottle-necks in the processing and product export solutions.

In parallel, the company develops exploration prospects in the LLA-47 block and prepares to continue the drilling campaign.

The company continues to evaluate opportunities in Argentina aimed at expanding its current presence in Latin America.

Consolidated interim statement of comprehensive income

Amounts in USD 1 000	Note	For the 3 months period ended 30 September 2018	For the 3 months period ended 30 September 2017	For the 3 months period ended 30 June 2018	For the 9 months period ended 30 September 2018	For the 9 months period ended 30 September 2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales	4	3,922	4,056	7,369	17,447	11,277
Cost of goods sold ex depreciation	5	-1,938	-1,538	-2,757	-7,226	-3,827
Depreciation	5	-1,065	-1,657	-2,360	-5,698	-5,087
Gross profit		**919**	**861**	**2,252**	**4,523**	**2,363**
Exploration cost expensed		-231	-418	-143	-555	-550
Administrative expense		-722	-520	-835	-2,323	-3,390
Other (expense)/income		-68	-348	245	567	-210
Result from operating activities		**-102**	**-425**	**1,519**	**2,212**	**-1,787**
Finance income	6	366	68	356	762	406
Finance cost	6	-1,110	-1,024	-820	-3,197	-2,922
Finance expense – net		**-744**	**-956**	**-464**	**-2,435**	**-2,516**
Loss before income tax		**-846**	**-1,381**	**1,055**	**-223**	**-4,303**
Income tax (expense)/credit	8	71	-371	-977	-753	-1,155
Loss profit from continuing operations		**-775**	**-1,752**	**78**	**-976**	**-5,458**
Other comprehensive loss		-	-	-	-	-
Other comprehensive loss for the period, net of tax		**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the period, net of tax		**-775**	**-1,752**	**78**	**-976**	**-5,458**
Attributable to:						
Equity holders of the parent		**-775**	**-1,752**	**78**	**-976**	**-5,458**
		-775	**-1,752**	**78**	**-976**	**-5,458**
(Loss)/profit per share (expressed in USI						
– basic and diluted – total		-0.01	-0.03	0.00	-0.02	-0.08
– basic and diluted – continuing operations		-0.01	-0.03	0.00	-0.02	-0.08

The notes 1 to 8 are an integral part of this condensed consolidated financial statements.

Consolidated interim statement of financial positions

Amounts in USD 1 000	Note	As of 30 September, 2018	As of 31 December, 2017
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		29,590	32,431
Total non-current assets		**29,590**	**32,431**
Current assets			
Inventories		572	480
Trade and other receivables		5,087	4,179
Cash and cash equivalents		6,419	7,524
Total current assets		**12,078**	**12,183**
TOTAL ASSETS		**41,668**	**44,614**
EQUITY			
Share capital and share premium		129,135	129,135
Other paid-in equity		4,744	4,744
Retained earnings		-141,509	-140,533
Total equity		**-7,630**	**-6,654**
LIABILITIES			
Non-current liabilities			
Borrowings	7	37,915	38,235
Deferred tax liabilities		1,684	2,500
Retirement benefit obligations		740	707
Provisions for other liabilities and charges		1,646	1,553
Total non-current liabilities		**41,985**	**42,995**
Current liabilities			
Current interest-bearing liabilities	7	1,997	3,021
Income taxes payable		1,341	0
Trade and other payables		3,144	4,545
Provisions for other liabilities and charges		831	707
Total current liabilities		**7,313**	**8,273**
TOTAL LIABILITIES		**49,298**	**51,268**
TOTAL EQUITY AND LIABILITIES		**41,668**	**44,614**

The notes 1 to 8 are an integral part of this condensed consolidated financial statements.

Consolidated interim statement of changes in equity

As of 30 September 2018

Amounts in USD 1 000	Share capital and share premium	Other paid-in equity	Retained earnings	Total equity
				(Audited)
Balance at 31 December 2016	**129,135**	**4,744**	**-134,844**	**-965**
Total comprehensive loss for the period	-	-	-5,689	-5,689
Balance at 31 December 2017	**129,135**	**4,744**	**-140,533**	**-6,654**
				(Unaudited)
Total comprehensive loss for the period	-	-	976	976
Balance at 30 September 2018	**129,135**	**4,744**	**-141,509**	**-7,630**

The notes 1 to 8 are an integral part of this condensed consolidated financial statements.

Consolidated interim cash flow statement

Amounts in USD 1 000	Note	For the 9 months period ended 30 September 2018	For the 9 months period ended 30 September 2017	For the 12 months period ended 31 December 2017
Cash generated from operations		(Unaudited)	(Unaudited)	(Audited)
Comprehensive loss for the period – continuing operations		-976	-5 458	-5,689
Total comprehensive loss of the period		**-976**	**-5 458**	**-5,689**
Income tax expense/(credit)		753	1 155	1,263
Depreciation, amortization and impairment		5,855	5 252	5,973
Amortization of debt issuance cost	6	0	259	363
Change in retirement benefit obligation		32	34	1
Interest income	6	-10	-37	-87
Interest expense	6	1,308	2 072	2,767
Unrealized exchange (loss from revaluation of borrowings)		-	33	-115
Gain on sale of PP&E		-	-72	-72
Impairment loss on PP&E		-		510
Other net financial expense		138	192	524
Changes in assets & liabilities				
Inventories		-92	-40	66
Trade and other receivables		-908	-1 273	-1,868
Trade and other payables and provision and other liabilities		-1,548	242	2,637
Net cash generated from operating activities		**5,551**	**2 359**	**3,747**
Cash flows from investing activities				
Net purchases of PP&E		-3,014	-4,151	-4,583
Net cash used in investing activities		**-3,014**	**-4,151**	**-4,583**
Cash flows from financing activities				
Interest paid		-1,864	-1 496	-1,608
Repayment of borrowings		-1,777	-6 362	-8,107
Proceeds from new loans		-	5 284	6,607
Net cash used in financing activities		**-3,641**	**-2 574**	**-3,108**
Net change in cash and cash equivalents		**-1,104**	**-4 366**	**-3,944**
Cash and cash equivalents at beginning of the period		7,524	11 468	11,468
Cash and cash equivalents at end of the period		**6,419**	**7 102**	**7,524**
Whereof cash and cash equivalents, non-restricted		2,460	5 162	3,750
Whereof cash and cash equivalents, restricted		3,959	1 940	4,690

Note1. Corporate information

Interoil Exploration and Production ASA ("the Company") and its subsidiaries (together 'the Group' or Interoil) is an upstream oil exploration and production company focused on South America. The company is an operator of production and exploration assets in Colombia.

The Company is a Norwegian Public limited liability company incorporated and domiciled in Norway. The Company is listed on the Oslo Stock Exchange. The Company is registered in the Register of Business Enterprises with organisation number 988 247 006. The Company's registered office is c/o Advokatfirmaet Schjødt AS Ruseløkkveien 14, 0251 Oslo, Norway.

The condensed consolidated interim financial information for the period ended 31 December 2017 included the company and its subsidiaries. This condensed consolidated interim financial information has been authorised for issue by the Board of Directors on 28 November 2018.

Note 2. Accounting policies

Interoil's condensed consolidated interim financial information is prepared in accordance with IAS 34, Interim Financial Reporting in the context of the International Financial Reporting Standards (IFRS) as adopted by the European Union.

The same accounting policies and methods of computation, except from those disclosed below, are followed as compared with the financial statements for the year ending 31 December 2017, and this condensed consolidated interim financial information should therefore be read together with the consolidated financial statements for the year ended 31 December 2017 prepared in accordance with IFRS as adopted by the European Union. IFRS 8 and IAS 33 have been applied as the Company is listed on the Oslo Stock Exchange.

With effect from 1 January 2018 Interoil adopted certain revised and amended accounting standards and improvements to IFRSs as further outlined in the significant accounting principles note disclosure to Interoil's financial statements for 2016. The new IFRS 15 determines a change in the way Interoil recognize and present revenues, costs and oil working interest participation. As from 1Q 2018 partners participation not paid in kind is recognized separately as revenue and cost, this also effects Interoil's Working interest production.

The condensed interim financial information provides, in the opinion of management, a fair presentation of the financial position, results of operations and cash flows for the dates and periods covered. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period.

The condensed interim financial information is unaudited.

Note 3. Segment information

For the 3 months period ended 30 September 2018 (Unaudited)

Amounts in USD 1 000	**Colombia**	**Norway**	**Unall. / Elimin.**	**Group (continuing business)**
Total revenue	3,922	144	-144	3,922
Cost of goods sold ex depreciation	-1,938	0	0	-1,938
Depreciation	-1,065	0	0	-1,065
Gross profit	**919**	**144**	**-144**	**919**
Exploration cost expensed	-231	0	0	-231
Administrative expense	-708	-160	144	-724
Other income	-62	-6	0	-68
Result from operating activities	**-82**	**-22**	**0**	**-104**
Finance income	362	587	-583	366
Finance costs	-1,112	-580	583	-1,109
Loss before income tax	**-832**	**-15**	**0**	**-847**
Income tax expense	-293	0	366	73
Loss for the period	**-1,125**	**-15**	**366**	**-774**
Other comprehensive Income	-	-	-	-
Total comprehensive income net of tax	**-1,125**	**-15**	**366**	**-774**

For the 3 months period ended 30 September 2017 (Unaudited)

Amounts in USD 1 000	**Colombia**	**Norway**	**Unall. / Elimin.**	**Group (continuing business)**
Total revenue	4,056	164	-164	4,056
Cost of goods sold ex depreciation	-1,538	0	0	-1,538
Depreciation	-1,657	0	0	-1,657
Gross profit	**861**	**164**	**-164**	**861**
Exploration cost expensed	-336	0	0	-336
Administrative expense	-932	166	164	-602
Other income	52	-400	0	-348
Result from operating activities	**-355**	**-70**	**0**	**-425**
Finance income	61	635	-628	68
Finance costs	-591	-1,061	628	-1,024
Loss before income tax	**-885**	**-496**	**0**	**-1,381**
Income tax expense	-371	0	0	-371
Loss for the period	**-1,256**	**-496**	**0**	**-1,752**
Other comprehensive Income	-	-	-	-
Total comprehensive income net of tax	**-1,256**	**-496**	**0**	**-1,752**

For the 9 months period ended 30 September 2018 (Unaudited)

Amounts in USD 1 000	**Colombia**	**Norway**	**Unall. / Elimin.**	**Group (continuing business)**
Total revenue	17,447	723	-723	17,447
Cost of goods sold ex depreciation	-7,226	0	0	-7,226
Depreciation	-5,698	0	0	-5,698
Gross profit	**4,523**	**723**	**-723**	**4,523**
Exploration cost expensed	-555	0	0	-555
Administrative expense	-2,356	-691	723	-2,324
Other income	567	0	0	567
Result from operating activities	**2,179**	**32**	**0**	**2,211**
Finance income	750	1,797	-1,785	762
Finance costs	-1,830	-3,151	1,785	-3,196
Loss before income tax	**1,099**	**-1,322**	**0**	**-223**
Income tax expense	-1,119	0	366	-753
Loss for the period	**-20**	**-1,322**	**366**	**-976**
Other comprehensive Income	-	-	-	-
Total comprehensive income net of tax	**-20**	**-1,322**	**366**	**-976**

For the 9 months period ended 30 September 2017 (Unaudited)

Amounts in USD 1 000	**Colombia**	**Norway**	**Unall. / Elimin.**	**Group (continuing business**
Total Revenue	11,277	395	-395	11,277
Cost of goods sold ex depreciation	-3,827	0	0	-3,827
Depreciation	-5,087	0	0	-5,087
Gross profit	**2,363**	**395**	**-395**	**2,363**
Exploration cost expensed	-550	0	0	-550
Administrative expense	-3,086	-699	395	-3,390
Other income	190	-400	0	-210
Result from operating activities	**-1,083**	**-704**	**0**	**-1,787**
Finance income	393	1,843	-1,830	406
Finance costs	-1,637	-3,115	1,830	-2,922
Loss before income tax	**-2,327**	**-1,976**	**0**	**-4,303**
Income tax expense	-1,155	0	0	-1,155
Loss for the period	**-3,482**	**-1,976**	**0**	**-5,458**
Other comprehensive Income	-	-	-	**-**
Total comprehensive income net of tax	**-3,482**	**-1,976**	**0**	**-5,458**

Note 4. Sales and royalty

Amounts in USD 1 000	For the 3 months period ended 30 September 2018	For the 3 months period ended 30 September 2017	For the 3 months period ended 30 June 2018	For the 9 months period ended 30 September 2018	For the 9 months period ended 30 September 2017
Sale of oil					
Sale of oil – before royalty*	3,118	3,009	6,681	15,366	7,999
Royalty	-229	-234	-372	-929	-641
Sale of oil – net	**2,889**	**2,775**	**6,309**	**14,437**	**7,358**
Sale of gas	516	587	541	1,523	1,859
Sale of services	518	694	519	1,488	2,060
Total sales	**3,923**	**4,056**	**7,369**	**17,448**	**11,277**

* Sales in 2018 includes (1Q: 1.3 million, 2Q : 1,1 million, 3Q 0,1 million) corresponding to a non-kind partners participation; this affects comparability with 2017 figures.

Note 5. Cost of goods sold

Amounts in USD 1 000	For the 3 months period ended 30 September 2018	For the 3 months period ended 30 September 2017	For the 3 months period ended 30 June 2018	For the 9 months period ended 30 September 2018	For the 9 months period ended 30 September 2017
Cost of goods sold					
Lifting costs	1,811	1,398	1,763	5,372	3,774
Changes in inventory	27	73	56	-71	-14
Other cost of goods sold *	100	66	938	1,925	66
Total cost of goods sold	**1,938**	**1,537**	**2,757**	**7,226**	**3,826**
Depreciation	**1,065**	**1,690**	**2,273**	**4,633**	**3,430**
Lifting costs, specifications:					
Field production costs	720	762	913	2,464	2,031
Tariffs and transportation	236	412	562	1,301	1,025
Insurance	28	30	28	85	90
Production costs external consultants	38	6	1	219	38
Well services and work overs	689	113	155	1,014	375
Repairs and maintenance of	100	75	104	289	215
Total lifting costs	**1,811**	**1,398**	**1,763**	**5,372**	**3,774**

* Other costs in 2018 includes (1Q: USD 0.6 million, 2Q: USD 0,7 million, 3Q: USD 0) corresponding to a non-kind partners participation; this affects comparability with 2017 figures.

Gros Margin corrected by non-kind partners participation is 25% for the 3Q 2018 (40% for the 2Q 2018)

Note 6. Finance income and cost

Amounts in USD 1 000	For the 3 months period ended 30 September 2018	For the 3 months period ended 30 September 2017	For the 3 months period ended 30 June 2018	For the 9 months period ended 30 September 2018	For the 9 months period ended 30 September 2017
Interest income	5	2	3	5	27
Realized / unrealized exchange	361	285	37	391	311
Total financial income	**366**	**287**	**40**	**396**	**338**
Interest expenses	0	689	793	1,531	1,366
Amortisation of debt issue cost	777	99	0	0	157
Realized / unrealized exchange	0	86	421	452	289
Other financial expenses	301	51	53	104	86
Total financial expenses	32	**925**	**1,267**	**2,087**	**1,898**
Finance expenses – net	**1,110**	**-638**	**-1,227**	**-1,691**	**-1,560**

Note 7. Borrowings

Amounts in USD 1 000	As of 30 September 2018	As of 31 December 2017
Non-current		
Bond loan denominated USD	37,276	37,533
Other non-current interest bearing liabilities	639	702
Total non-current interest bearing liabilities	**37,915**	**38,235**
Current		
Liabilities to financial institutions	1,997	1,973
Other non-current interest bearing liabilities	-	1,049
Total current interest bearing liabilities	**1,997**	**3,022**
Total interest bearing liabilities	**39,912**	**41,257**

The maturity of the Group's borrowings is as follows

Amounts in USD 1000	As of 31 March 2018	As of 31 December 2017
0-12 months	1,997	3,022
Between 1 and 2 years	100	89
Between 2 and 5 years	37,645	37,875
Over 5 years	170	271
Total borrowings	**39,912**	**41,257**

Bank loans USD 2,1 million

The Colombian branch has short term facilities with Banco de Occidente. The loans are secured with a USD 1 million cash collateral. The facilities are due to expire in December 2018 and February 2019. The facilites bears local IBR interest + margin from 4 to 4,5%.

Leasing USD 0,8 million

The Colombian branch has a leasing contract with Banco de Occidente for the offices in Bogota. The office was bought in 2016, sold to Banco de Occidente and leased back in 2017.

Bond loan USD 32 million

The Group issued a 5 year Senior Secured bond loan with a total loan amount of USD 32 million on 22 January 2015. The bond loan will mature on 22 January 2020. The bond loan shall be repaid at the final maturity date at 100 % of par value, plus accrued and unpaid interest. The issuer may redeem the bonds in whole or in part at 105 % of face value plus accrued unpaid interest on the redeemed amount. The bonds have a nominal value of USD 1, and carry a fixed rate interest of 6.00 % payable semi-annually in arrears. The issuer may make the interest payment in kind (PIK) up to the interest payment date in January 2017. The PIK interest will be capitalised at an effective rate of interest of 8,00% per annum.

The bond loan recognised in the statement of financial position is calculated as follows:

Amounts in USD 1 000	
Bond loan at issue date, 22 January 2015	32,000
PIK interest	5,436
Accrued interest	437
Borrowing costs (fees and legal expenses)	-696
Amortisation of debt issue cost	100
Balance at 31 December 2017	**37,276**

Note 8. Tax

Amounts in USD 1 000	**For the 3 months period ended 30 September 2018**	**For the 3 months period ended 30 September 2017**	**For the 3 months period ended 30 June 2018**	**For the 9 months period ended 30 September 2018**	**For the 9 months period ended 30 September 2017**
Current income tax:					
Current income tax charge	446	197	547	1,569	984
Deferred tax:					
Relating to origination and reversal of temporary differences	-517	174	430	-816	171
Income tax expense/(credit)	**-71**	**371**	**977**	**753**	**1,155**

Note 9. Production and sales of oil in barrels *

	For the 3 months period ended 30 September 2018	For the 3 months period ended 30 September 2017	For the 3 months period ended 30 June 2018	For the 9 months period ended 30 September 2018	For the 9 months period ended 30 September 2017
Production in barrels					
Working interest, barrels	42,757	58,993	92,622	223,371	163,852
Working interest, gas (boe)	26,227	31,787	27,593	82,071	100,318
Royalty	-4,933	-6,754	-7,019	-18,947	-19,529
Total production in barrels – net of royalty	**64,051**	**84,026**	**113,196**	**286,495**	**244,641**
Sale of oil in barrels					
Sale of oil, barrels working interest	42,300	58,896	88,188	214,181	161,720
Oil royalties sold	1,745	1,591	4,201	9,428	1,591
Total sale in barrels – net of royalty	**44,045**	**60,566**	**92,389**	**223,609**	**163,390**
Sale of gas in boe					
Sale of gas, boe working interest	15,721	2,417	27,593	71,565	100,319
Gas royalties sold	1,679	2,846	1,766	5,253	6,420
Total sale in barrels – net of royalty	**24,548**	**48,984**	**25,827**	**76,818**	**143,312**
Total sales in boe – net of royalty	**68,593**	**109,550**	**118,216**	**300,427**	**306,702**

* 2017 oil figures (net working and sold barrels) were recalculated to make it comparable with 2018 figures based on IFRS 15 requirements.

INTEROIL EXPLORATION AND PRODUCTION ASA
c/o Advokatfirmaet Schjødt AS
Ruseløkkveien 14
0251 Oslo, NORWAY
WWW.INTEROIL.NO