

## INTEROIL CORPORATION

### Code of Ethics for the Chief Executive Officer and Senior Financial Officers

The Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer or Controller, and other senior financial officers performing similar functions (collectively, the “*Officers*”) of InterOil Corporation (the “*Company*”) each have an obligation to the Company, its shareholders, the public investor community, and themselves to maintain the highest standards of ethical conduct. In recognition of this obligation, the Company has adopted the following standards of ethical conduct for the purpose of deterring wrongdoing and promoting:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair accurate, timely and understandable disclosure in the reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the “*SEC*”), and in other public communications made by the Company;
- Compliance with applicable governmental laws, rules and regulations;
- The prompt internal reporting to an appropriate person or persons identified herein of violations of this Code of Ethics; and
- Accountability for an adherence to this Code of Ethics.

The Company has a Code of Ethics and Business Conduct applicable to all directors and employees of the Company. The Officers are bound by all of the provisions set forth therein, including those relating to ethical conduct, conflicts of interest and compliance with law. In addition to the Code of Ethics and Business Conduct, the Officers are subject to the additional specific policies described below. Adherence to these standards is integral to achieving the objectives of the Company and its shareholders. The Officers shall not commit acts contrary to these standards nor shall they condone the commission of such acts by others within the Company.

#### **Competence**

The Officers have a responsibility to:

- Maintain an appropriate level of professional competence through the ongoing development of their knowledge and skills.
- Perform their professional duties in accordance with relevant laws, regulations, and technical standards.
- Prepare accurate and timely financial statements, reports and recommendations after appropriate analyses of relevant and reliable information.

#### **Confidentiality**

The Officers have a responsibility to protect the Company by:

- Refraining from disclosing confidential information (regarding the Company or otherwise) acquired in the course of their work except when authorized, unless legally obligated to do so.
- Informing subordinates as appropriate regarding the confidentiality of information acquired in the course of their work and monitoring their activities to assure the maintenance of that confidentiality.

- Refraining from using or appearing to use confidential information acquired in the course of their work for unethical or illegal advantage either personally or through third parties.

### **Integrity**

The Officers have a responsibility to:

- Comply with laws, rules and regulations of national, state and local governments, and appropriate private and public regulatory agencies or organizations, including insider trading laws.
- Act in good faith, responsibility, without misrepresenting material facts or allowing their independent judgment to be subordinated.
- Protect the Company's assets and insure their efficient use.
- Avoid actual or apparent conflicts of interest with respect to suppliers, customers, contractors and competitors and report potential conflicts as required in the Company's Code of Ethics and Business Conduct.
- Refrain from engaging in any activity that would prejudice their ability to carry out their duties ethically.
- Refuse any gift, favour or hospitality that would influence or would appear to influence their actions.
- Refrain from either actively or passively subverting the attainment of the organization's legitimate and ethical objectives.
- Protect the Company's assets and assure their efficient use.
- Recognize and communicate professional limitations or other constraints that would preclude responsible judgment or successful performance of an activity.
- Report to senior management and the Audit Committee any significant information they may have regarding judgments, deficiencies, discrepancies, errors, lapses or any similar matters relating to the Company's or its subsidiaries' accounting, auditing or system of internal controls. The Officers must communicate unfavorable as well as favorable information and professional judgments or opinions.
- Refrain from engaging in or supporting any activity that would discredit their profession or the Company and proactively promote ethical behavior within the Company.

### **Objectivity**

The Officers have a responsibility to:

- Communicate information fairly and objectively.
- Disclose all material information that could reasonably be expected to influence intended user's understanding of the reports, comments and recommendations presented.

### **Oversight and Disclosure**

The Officers have a responsibility to:

- Ensure the preparation of full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the Company with Canadian Securities Administrators and the SEC. Accordingly, it is the responsibility of the Officers to promptly bring to the attention of the Audit Committee and the Company's Disclosure Review and Control Committee any material information of which he or she may become aware that affects the disclosures made by the Company in its public filings or otherwise assist the Audit Committee in fulfilling its responsibilities of overseeing the Company's financial statements and disclosures and internal control systems.

- Promptly bring to the attention of the Audit Committee any information he or she may have concerning (1) significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or (2) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls.
- Promptly bring to the attention of the General Counsel and to the Audit Committee any information he or she may have concerning any violation of the Company's Code of Ethics and Business Conduct, including any actual or apparent conflicts of interest between personal and professional relationships, involving any management or other employees who has a significant role in the Company's financial reporting, disclosures or internal controls.
- Promptly bring to the attention of the General Counsel and to the Audit Committee any information he or she may have concerning evidence of a material violation of the securities or other laws, rules or regulations applicable to the Company and the operation of its business, by the Company or any agent thereof, or of violation of the Code of Ethics and Business Conduct or of these additional procedures.

### **Enforcement**

The Board of Directors shall determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of violations of the Code of Ethics and Business Conduct or of these additional procedures by the Officers. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code of Ethics and Business Conduct and to these additional procedures, and shall include written notices to the individual involved that the Board has determined that there has been a violation, censure by the Board, demotion or re-assignment of the individual involved, suspension with or without pay or benefits (as determined by the Board) and termination of the individual's employment. In determining what action is appropriate in a particular case, the Board of Directors or such designee shall take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.