



INTEROIL CORPORATION

RESERVES COMMITTEE CHARTER

1. Establishment

The Board of Directors (the "**Board**") of InterOil Corporation (the "**Corporation**"), hereby adopts this charter for the Reserves Committee (the "**Committee**") of the Board.

2. Composition

The Committee shall be comprised of not less than three directors of the Board. The majority of the members of the Committee:

- (a) shall be individuals who are not, and have not been within the preceding 12 months, (i) an officer or employee of the Corporation or an affiliate of the Corporation, (ii) a person who beneficially owns 10% or more of the outstanding voting securities of the Corporation, or (iii) a relative of a person referred to in (i) or (ii) of this paragraph residing in the same home as that person; and
- (b) shall be free from any relationship that could, in the view of the Board, reasonably be seen to interfere with the exercise of a member's independent judgment.

Each Committee member shall satisfy the qualification requirements of any applicable laws, rules, or regulations, including requirements of any stock exchange on which the securities of InterOil are listed and posted for trading.

All members of the Committee shall have a working familiarity with the estimation of petroleum and natural gas reserves and/or resources. Members of the Committee shall be appointed by resolution of the Board. The Committee Chair shall be appointed by Committee members. A member of the Committee shall cease to be a member of the Committee upon ceasing to be a director of the Corporation.

3. Mandate

The mandate of the Committee is to assist the Board in fulfilling its responsibilities in general and, in particular, with respect to the oil and natural gas reserves and resource evaluation process and public disclosure of reserves data and other information as required under National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**").

4. Specific Duties and Responsibilities

Subject to the powers of the Board and in addition to any other duties assigned to the Committee by the Board, the Committee will have the following duties and responsibilities:

- (a) to review and make recommendations to the Board with respect to:
 - (i) the Corporation's annual *Statement of Reserves Data and Other Information*, on Form 51-101F1 (the "**Reserves Statement**");
 - (ii) the annual signed *Report of Independent Qualified Reserves Evaluator or Auditor*, on Form 51-101F2 (the "**Evaluator's Report**"), respecting the applicable Reserves Statement; and
 - (iii) the annual *Report of Management and Directors*, on Form 51-101F3 (the "**Management Report**"), respecting the applicable Reserves Statement;
- (b) to review and consider any news release of the Corporation announcing the filing of the Reserves Statement, Evaluator's Report and Management Report;
- (c) to review any proposed public disclosure or regulatory filings by the Corporation with respect to any reserves and/or resources evaluation and oil and gas activities and the material compliance thereof with applicable regulatory requirements and, if appropriate, make recommendations to the Board to approve or disapprove of the release or filing thereof;
- (d) to review and make recommendations to the Board respecting the appointment of a qualified reserves evaluator or auditor pursuant to the requirements of NI 51-101;
- (e) to review any appointment of, or change in, the reserves evaluator or auditor engaged by the Corporation and, in the case of a proposed change, determine whether there have been any disputes between the qualified reserves evaluator or auditor and management of the Corporation;
- (f) to consider and report to the Board respecting the independence of the qualified reserves evaluator or auditor engaged by the Corporation;
- (g) to consider whether the reserves evaluator or auditor engaged by the Corporation has been provided with all of the information reasonably required to provide a Reserves Statement that satisfies the requirements of NI 51-101;
- (h) to consider whether any restrictions affecting the ability of the qualified reserves evaluator or auditor engaged by the Corporation to report on the Corporation's reserves data were imposed in connection with any review of the Corporation's reserves data by the qualified reserves evaluator or auditor;
- (i) to review, with reasonable frequency, the Corporation's procedures relating to the disclosure of information concerning the oil and gas activities, resources and

reserves of the Corporation, including the Corporation's procedures for complying with the disclosure requirements of NI 51-101;

- (j) to review, with reasonable frequency, the Corporation's procedures for providing information to the qualified reserves evaluator or auditor engaged by the Corporation;
- (k) to review the scope of the annual review of the Corporation's reserves and/or resources;
- (l) to meet independently of management with the qualified reserves evaluator or auditor engaged to report on the Corporation's reserves data for purposes of NI 51-101;
- (m) before recommending the filing of the Reserves Statement pursuant to NI 51-101, to meet with management of the Corporation and the qualified reserves evaluator or auditor engaged by the Corporation to:
 - (i) assess whether any restrictions affect the ability of the qualified reserves evaluator or auditor to report on the Corporation's reserves data without reservation; and
 - (ii) review the reserves data and the report of the qualified reserves evaluator or auditor thereon;
- (n) to consider reserves and/or resources findings and disagreements between management and the qualified reserves evaluator or auditor engaged by the Corporation to report on the Corporation's reserves and/or resources data for purposes of NI 51-101 and use reasonable efforts to resolve disputes;
- (o) to annually assess the work of the qualified reserves evaluator or auditor engaged by the Corporation;
- (p) to assess and report to the Board concerning the qualifications of the members of the Reserves Committee pursuant to section 3.5 of NI 51-101;
- (q) to consider such matters and questions relating to the reserves and/or resources as the Board may from time to time refer to the Committee; and
- (r) to coordinate meetings with the Audit Committee of the Board, senior reserve and/or resources personnel, engineers and independent reserve evaluators, as required, to address areas of mutual interest or concern in respect of the Company's evaluation of its oil and natural gas reserves and/or resources.

5. Administrative Matters

The following general provisions will govern the activities of the Committee.

- (a) The quorum for purposes of meetings of the Committee shall be at least two members present in person or by telephone or other acceptable communications device. No business may be transacted by the Committee except at a meeting of

its members at which a quorum is present or by a resolution in writing signed by all the members of the Committee.

- (b) Any member of the Committee may be removed or replaced at any time by the Board. If a vacancy exists on the Committee, the remaining members may exercise all of the powers of the Committee so long as a quorum is present at the applicable meeting or the applicable written resolution is signed by all current members.
- (c) The Committee may invite such officers, directors and employees of the Corporation and other persons (including one or more representatives of the external auditor of the Corporation), as the Chairman of the Committee may consider appropriate, to attend at meetings of the Committee and assist members of the Committee in their deliberations.
- (d) The Committee shall determine the time and place at which the meetings of the Committee shall be held and the procedures for calling and conducting business at such meetings, having regard to the by-laws of the Corporation.
- (e) The Chairman of the Committee shall preside at all meetings of the Committee and shall not have a second or deciding vote in the event of a tie. In the absence of the Chairman, the members of the Committee present at a meeting shall appoint one of those members to act as chairman for that particular meeting (or the portion thereof at which the Chairman is not present).
- (f) The members of the Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of the Corporation, and to discuss such books and records as are in any way related to the reserves of the Corporation with the officers and employees of the Corporation.
- (g) Minutes of Committee meetings shall be prepared and maintained and signed by the Chair and the secretary of the meeting. The Chairman of the Committee shall report to the Board on the activities of the Committee at the next meeting of the Board or such earlier time as the Chairman of the Committee may consider appropriate.
- (h) The Committee shall have the authority to:
 - (i) to engage independent counsel and other advisors that it determines to be necessary to permit it to carry out its duties; and
 - (ii) to set and pay the compensation for any advisors engaged by the Committee.
- (i) A Committee Secretary will be appointed to assist with the administration of the Committee and to keep minutes of the Committee's meetings.

6. Reports and Assessments

- (a) **Board Reports** – The Chairperson of the Committee shall, periodically, at his or her discretion, report to the Board on the fulfillment of the Committee’s responsibilities under this Charter.
- (b) **Charter Assessment** – The Committee shall periodically, at its discretion, assess the adequacy of this Charter and advise the Board of its assessment and of its recommendation for any changes to the Charter. The Committee shall, if requested by management, assist management with the preparation of any certification affirming that the Committee reviewed and reassessed the adequacy of this Charter.
- (c) **Committee Self-Assessment** – The Committee shall regularly make a self-assessment of its performance and shall report the results of such self-assessment to the Board.