12.12.2024

Interoil Exploration and Production ASA – Decision Regarding a Violation of the Issuer's Continuing Disclosure Obligations

1. Introduction

Reference is made to the stock exchange announcements by Interoil Exploration and Production ASA (the "**Company**") on (i) 29 May 2024 at 18:25 CEST, regarding the financial reporting for the first quarter ("**Q1**") of 2024 (the "**Q1 Announcement**"), (ii) 29 August 2024 at 18:45 CEST, regarding financial reporting for the second quarter ("**Q2**") and first half ("**H1**") of 2024 (the "**Q2 & H1 Original Announcement**"), and (iii) 30 August 2024 at 21:49 CEST, regarding a correction to the Q2 & H1 Original Announcement (the "**Q2 & H1 Correction Announcement**", and together with the Q2 & H1 Original Announcement, the "**Q2 & H1 Announcements**"). Further reference is made to the email correspondence between Oslo Børs ASA ("**Oslo Børs**") and the Company following the publication of the Q2 & H1 Announcements.

This case concerns whether the Company breached Article 17, cf. Article 7 of the Market Abuse Regulation (EU) No. 596/2014 ("**MAR**"), and section 4.2.1.1 of Euronext Oslo Rule Book II – Issuer Rules ("**Rule Book II**"), by failing to correct the error in the Q1 Announcement in a timely manner. Additionally, the case addresses whether a violation charge should be imposed on the Company, cf. section 21-1 of the Securities Trading Act.

On 30 August 2024, the Company published the Q2 & H1 Correction Announcement, which corrected the Q1 revenue reported in the Q1 Announcement from USD 7.8 million to USD 5.3 million. On the following trading day, the Company's stock price fell by 26%, and trading volume increased significantly.

Oslo Børs is of the opinion that the Q1 Reporting Error (as defined below) constituted inside information and that the Company's obligation to promptly disclose this information arose when the then Chief Financial Officer (the "**CFO**") became aware of the error on 21 August 2024.[1] However, the inside information was not disclosed until 30 August 2024, after a shareholder pointed out discrepancies between the Q1 revenue figures in the Q1 Announcement and the Q2 & H1 Original Announcement. The inside information was therefore disclosed nine days, including seven trading days, after the Company's disclosure obligation, in Oslo Børs' view, arose.

Oslo Børs has delegated authority to supervise the rules on listed issuers' obligation to disclose inside information, cf. section 19-1 (3) of the Securities Trading Act and section 17-1 of the

[1] The Company appointed a new CFO on 18 September 2024. References to the CFO in this Violation Charge Decision refer to the former CFO, not the current one.

Securities Regulation, and may impose a violation charge in the event of a breach of the disclosure obligation, cf. section 21-1 (5) of the Securities Trading Act.

2. Legal grounds

2.1. Inside information etc.

Under section 4.2.1.1 of Rule Book II, cf. MAR Article 17 no. 1, the Issuer shall disclose inside information that directly relates to the issuer as soon as possible. The wording "*as soon as possible*" normally only includes the time it takes to draw up a stock exchange announcement regarding the matter. Issuers are expected to have routines and procedures that ensure that the issuers and its representatives can assess and handle information that must be disclosed when it arises.

According to MAR Article 7 no. 1 a), inside information constitutes:

> *"Information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments."*

Furthermore, it follows from MAR Article 7 no. 2 that the information shall be considered as precise if:

> *"it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments (…)."*

2.2. Culpability requirement

According to section 46 (1) of the Public Administration Act, the fault requirement for imposing an administrative sanction against an enterprise is general negligence, unless otherwise is specified. Based on case law, Oslo Børs assumes that there is a requirement that the individual or individuals acting on behalf of the enterprise to have demonstrated ordinary negligence.

In Oslo Børs' view, assessing negligence regarding the obligation to provide information involves a discretionary overall assessment, focusing on the actual action of the issuer and of individual(s) acting on behalf of the issuer, in relation to how the issuer or such individual(s) should have acted. In this context, consideration will be given to the expectation that issuers are organized to comply with Oslo Børs' regulations, cf. section 3.1.3.4 (2) of Rule Book II, which requires the issuer to have "*sufficient expertise and resources to satisfy the requirements for correct and proper management and distribution of information*". Additionally, it will be assumed that the issuers

maintain adequate routines and procedures to ensure proper handling of information subject to disclosure requirements, cf. Oslo Børs' guidance to section 4.2.1 of Rule Book II concerning the disclosure obligation in cases of inside information.

2.3. Violation charge

MAR Article 31 stipulates that the supervisory authority must consider all relevant circumstances when deciding on the type of sanction and the measurement of the sanction, listing certain factors that may be taken into account. Section 21-14 of the Securities Trading Act implements MAR Article 31 into Norwegian law, and states that the following elements may be taken into account when deciding whether an administrative sanction should be imposed and when assessing it:

1. the gravity and duration of the infringement,
2. the degree of culpability of the infringer,
3. the infringer's financial capability, especially overall turnover or annual income and assets,
4. profits gained or losses avoided,
5. losses inflicted on any third party as a result of the infringement,
6. willingness to cooperate with the authorities,
7. previous infringements,
8. factors as mentioned in section 46 (2) of the Public Administration Act,
9. other relevant factors.

Furthermore, section 46 (2) of the Public Administration Act sets out the following points that may be taken into account when assessing whether an enterprise should be subject to an administrative sanction and when assessing the sanction individually:

a) the preventive effect of the sanction,

b) the gravity of the breach, and whether any person acting on behalf of the enterprise is at fault,

c) whether the enterprise could have prevented the offence through guidelines, instructions, training, controls or other measures,

d) whether the breach was committed in order to promote the interests of the enterprise,

e) whether the enterprise has or could have obtained any advantage by the offence,

f) whether there is any repetition,

g) the economic capacity of the enterprise,

h) whether other sanctions have been imposed on the enterprise or any person acting on behalf of the enterprise as a consequence of the breach, including whether an administrative sanction or criminal penalty has been imposed on any natural person,

i) whether any treaty with a foreign state or international organisation presumes the use of administrative corporate sanctions or corporate criminal penalties.

3. Factual circumstances

3.1. The factual circumstances

3.1.1. Written correspondence between the Company and Oslo Børs

Written correspondence between the Company and Oslo Børs took place from September to October 2024 regarding the Q1 Announcement, the Q2 & H1 Announcements, and the processes leading up to these announcements. Following this correspondence, on 14 November 2024, Oslo Børs sent the Company a preliminary notice of a potential violation charge, requesting that the Company submit its comments or objections within 14 days, with the option to request an extension if necessary. The Company submitted its comments to the preliminary notice on 28 November 2024.

As some emails include attachments, the email correspondence enclosed hereto is divided into multiple appendices.

Appendix 1: Email correspondence from 2 to 6 September 2024

Appendix 2: Email correspondence from 9 to 12 September 2024

Appendix 3: Email correspondence from 12 to 19 September 2024, including attachments

Appendix 4: Email correspondence from 1 to 3 October 2024

Appendix 5: Email of 14 November 2024, including attachment (the preliminary notice)

Appendix 6: Email correspondence of 28 November 2024

Based on the information and documentation submitted by the Company, Oslo Børs assumes the following factual circumstances:

3.1.2. Stock exchange announcements regarding financial reports

After the market closed on Thursday, 29 May 2024, the Company published the Q1 Announcement, reporting, among others, revenues of USD 7.8 million for Q1 of 2024, compared to USD 1.2 million

for the same period in 2023.[2] Following the Q1 Announcement, the Company's stock price surged by 311% over the next two trading days (Friday, 31 May and Monday, 3 June 2024).

Three months later, after the market closed on Thursday, 29 August 2024, the Company published the Q2 & H1 Original Announcement, reporting revenues of USD 5.3 million for Q2 and USD 7.9 million for H1 of 2024.[3] There were no significant changes in the stock price on the following trading day, on Friday, 30 August 2024.

The following day, on Friday, 30 August 2024, after the market closed, the Company published the Q2 & H1 Correction Announcement, revising, among others, its previously reported Q1 revenue from USD 7.8 million to USD 5.3 million – an overstatement of approximately 47%.[4] Following the Q2 & H1 Correction Announcement, the stock price dropped 26% on the next trading day, Monday, 2 September 2024.

3.1.3. The process that led up to the Q1 Announcement

The Company has informed Oslo Børs that during the preparation of its Q1 financial report, the Company gathered financial information from its subsidiaries. One of these subsidiaries, Interoil Argentina S.A. ("**Interoil Argentina**"), is part of a joint venture (with five related exploitation concessions) in Argentina, where Interoil Argentina holds a 51% ownership stake, entitling it to a corresponding share of the joint venture's revenue.[5]

However, when preparing the Q1 financial report, Interoil Argentina incorrectly reported all of the joint venture's revenue as its own – nearly double the correct amount. The Company subsequently used Interoil Argentina's incorrect revenue information in the Company's Q1 financial report, resulting in a revenue overstatement of USD 2.5 million (approximately 47% above the accurate figure) in the Q1 Announcement (the "**Q1 Reporting Error**").

3.1.4. The process that led up to the Q2 & H1 Announcements

Three months after the Q1 Announcement, in connection with the preparation of its Q2 & H1 financial report, the Company again gathered financial information from its subsidiaries, including Interoil Argentina. On 21 August 2024, the Company's CFO was informed that Interoil Argentina had overstated its Q1 revenue by USD 2.5 million, and that this error had been carried over into the Company's Q1 financial report and the Q1 Announcement.

[2] The Q1 Announcement: https://newsweb.oslobors.no/message/620280
[3] The Q2 & H1 Original Announcement: https://newsweb.oslobors.no/message/626631
[4] The Q2 & H1 Correction Announcement: https://newsweb.oslobors.no/message/626786
[5] https://newsweb.oslobors.no/message/594274

In the period between being informed of the Q1 Reporting Error on 21 August 2024 and the publication of the Q2 & H1 Original Announcement on 29 August 2024, the CFO did not pass on this information to any member of the Company's management team or board of directors (the "**Board**"). No records indicates that the CFO considered the Q1 Reporting Error as inside information, neither by keeping insider lists, nor through documentation of any decision related to delayed publication.

When the Q2 & H1 financial report was published through the Q2 & H1 Original Announcement, the Q1 Reporting Error was corrected in the accounts. However, the overstated revenue in the Q1 report was not explicitly addressed in either the Q2 & H1 Original Announcement or the attached financial report.

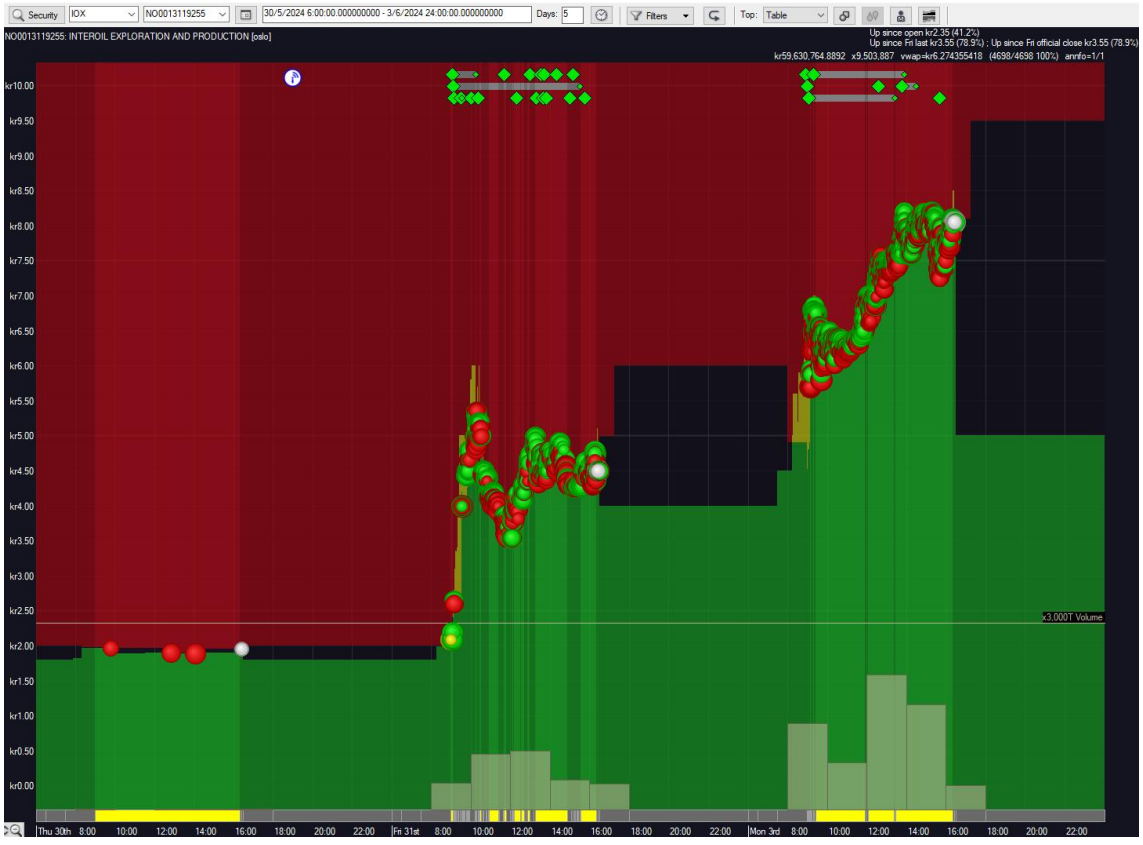
The following day, on 30 August 2024, at 11:14 CEST, the Company's Investor Relations services received an email from a shareholder pointing out that certain information, including revenue, in the Q1 Announcement and the Q2 & H1 Original Announcement did not align when considered together.[6] The shareholder recommended that the Company issue a correction announcement to clarify the discrepancies. The Company's Investor Relations services forwarded the email to the CFO at 15:26 CEST. This prompted the CFO to begin quality-checking the financial information and drafting the Q2 & H1 Correction Announcement, which was approved by the Board and published at 21:49 CEST.

[6] USD 7.8 million in Q1 + USD 5.3 million in Q2 ≠ USD 7.9 million in H1.

3.2. The stock exchange announcement's effect on the stock price

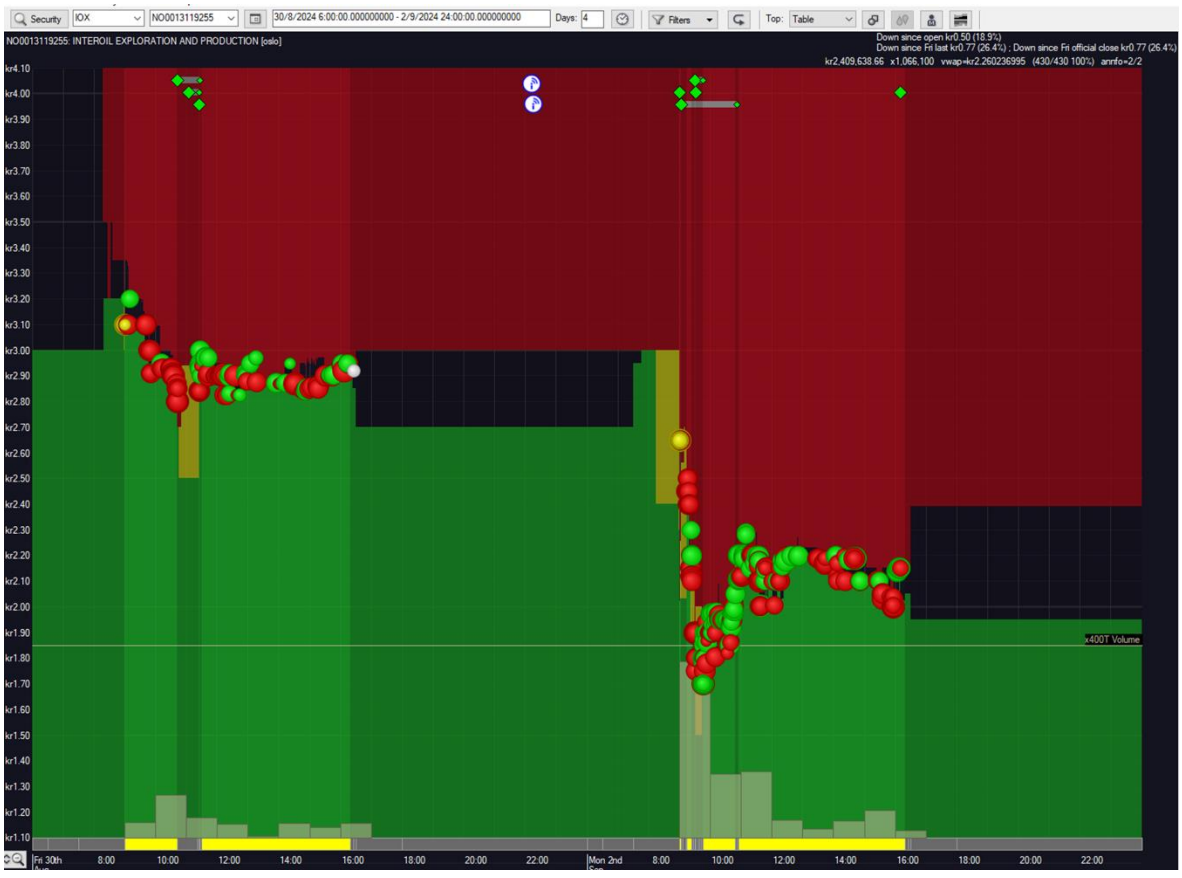
3.2.1. The Q1 Announcement's impact on the stock price and trading volume

Oslo Børs observed a significant rise in the Company's stock price during the two trading days following the Q1 Announcement, on 31 May and 3 June 2024. By the close of trading on 3 June, the stock price had surged by 311% compared to the close on 30 May 2024. Trading volume also saw a sharp increase during these two days. Before the Q1 Announcement, the average trading volume in May was 25,931 shares. In contrast, 3,141,307 shares were traded on 31 May and 6,356,936 shares on 3 June, which represents approximately 183 times the average trading volume in May. Oslo Børs is of the opinion that the impact on the stock price and trading volume primarily stems from the information in the Q1 Announcement. The screenshot below has been sourced from Oslo Børs' real-time surveillance system, SMARTS, and displays the number of shares traded and the trading volume between 30 May and 3 June 2024, showing the changes in the stock price during the period:



3.2.2. The Q2 & H1 Correction Announcement's impact on the stock price and trading volume

Oslo Børs observed a significant drop in the Company's stock price on 2 September 2024, the trading day following the Q2 & H1 Correction Announcement. By the close of trading on 2 September, the stock price had fallen by 26% compared to the close of trading on 30 August 2024. Trading volume also rose sharply on 2 September. The average trading volume in August was 105,408 shares, while 794,158 shares were traded on 2 September, representing a 753% increase compared to the average trading volume in the previous month. Oslo Børs is of the opinion that the impact on the stock price and trading volume primarily stems from the information in the Q2 & H1 Correction Announcement. The screenshot below has been sourced from Oslo Børs' real-time surveillance system, SMARTS, and displays the number of shares traded and the trading volume between 30 August and 2 September 2024, showing the changes in the stock price during the period:



4. The Company's assessment

The Company has informed Oslo Børs that, during the period between being notified of the Q1 Reporting Error and the publication of the Q2 & H1 Original Announcement, the CFO either failed

to evaluate whether the Q1 Reporting Error constituted inside information or determined that it did not. The Company has also stated that since the Board was unaware of the Q1 Reporting Error, when it originally occurred and when it was initially discovered, it was not in a position to assess the classification of the information at these times.

However, the Company has informed Oslo Børs that its retrospective assessment is that the discrepancy between the correct and reported Q1 figures did, in itself, constitute inside information under MAR Article 7 no. 1. The Company has not explicitly indicated when it considers its disclosure obligation to have arisen.

Furthermore, the Company has informed Oslo Børs that the CFO's handling of this matter did not follow the Company's established procedures and routines, and that the proper course of action upon discovering the Q1 Reporting Error would have been to immediately bring the issue to the attention of the general manager and the Board, and to ensure that a correction announcement was made as soon as possible after the discovery on 21 August 2024.

5. Oslo Børs' assessment

5.1. Inside Information

Reference is made to the definition of "inside information" in MAR Article 7 no. 1, as outlined under section 2.1 above. The definition establishes three main criteria for information to be considered inside information. First, there must be information of a precise nature that directly or indirectly relates to the issuer or its financial instruments. Furthermore, the information must, if made public, be deemed likely to affect the price of the financial instruments significantly. Finally, the information must not be publicly available or generally known in the market.

Oslo Børs shares the Company's retrospective conclusion that the Q1 Reporting Error, before the publication of the Q2 & H1 Correction Announcement, constituted "*information of a precise nature, which has not been made public, relating, directly or indirectly*", to the Company, and which, if made public, "*would be likely to have a significant effect on the price of*" the Company's shares, cf. MAR Article 7 no. 1.

Consequently, Oslo Børs must determine whether the Company has fulfilled its disclosure obligations by determining both when the Company's obligation to disclose the inside information arose, and whether the Company did disclose the information "*as soon as possible*" thereafter, cf. MAR Article 17 no. 1.

The Company has stated that since the CFO did not inform the Board of the Q1 Reporting Error when it was originally discovered on 21 August 2024, the Board was not in a position to assess the classification of the information at that time.

Oslo Børs is of the opinion that the CFO's knowledge of the Q1 Reporting Error was sufficient to trigger the Company's disclosure obligation. The Company is expected to have established the necessary routines and procedures, and to ensure that the members of its management possesses sufficient expertise and resources for properly managing and distributing information that requires market disclosure as it arises. As the Company's primary responsible representative for financial and economic matters, including financial reporting, the CFO is expected to competently identify potential inside information and follow the Company's procedures and routines in such instances. On this basis, Oslo Børs considers that the Company's disclosure obligation arose when the CFO became aware of the Q1 Reporting Error on 21 August 2024.

As stated in section 2.1 above, the wording "*as soon as possible*" in MAR Article 17 no. 1 generally refers to the time needed to prepare a stock exchange announcement. In this case, the Company disclosed the inside information through the Q2 & H1 Correction Announcement on 30 August 2024, nine days (of which seven trading days) after the disclosure obligation arose on 21 August 2024. Since this period is significantly longer than the time required to prepare a stock exchange announcement, it is Oslo Børs' view that the Company did not fulfil its obligation to disclose inside information under MAR Article 17 no. 1 in a timely manner.

For the sake of good order, Oslo Børs also notes that there likely would not have been legitimate grounds for the Company to delay the disclosure of the inside information, as withholding the information about the Q1 Reporting Error would be "*likely to mislead the public*", cf. MAR Article 17 no. 4.

5.2. Assessment of culpability – ordinary negligence

As mentioned under section 2.2 above, in order for Oslo Børs to impose a violation charge, it is required that the individual(s) acting on behalf of the issuer have demonstrated ordinary negligence in connection with the breach of the disclosure obligation. The assessment is based on how the issuer should have acted, based on objective and subjective standards for conduct, compared to how the individual(s) did act.

Section 3.1.3.4 (2) of Rule Book II establishes that the issuer must have sufficient expertise and resources to satisfy the requirements for the correct and proper management and distribution of information. In the guidance to section 4.2.1.1 of Rule Book II, it is further assumed that the issuer has routines and procedures that enable it to manage information subject to disclosure obligations when it arises. The obligation to manage such information in a timely manner arises regardless of whether inside information emerges during or outside of trading hours. Issuers must be prepared to handle inside information immediately when it occurs to fulfil the obligation to "*inform the public as soon as possible of inside information which directly concerns that issuer",* cf. MAR Article 17

no. 1. These standards for conduct, together with the Company's internal routines and procedures, form the comparative basis for the assessment of negligence.

The Company has informed Oslo Børs that the CFO did not immediately bring the Q1 Reporting Error to the attention of the Company's general manager and/or Board, although this would have been the appropriate course of action in accordance with the Company's internal procedures and routines. Involvement of the Board and/or general manager immediately after the Q1 Reporting Error was discovered could have led to the information being treated as inside information at an earlier stage.

Furthermore, the Company has informed Oslo Børs that the CFO either failed to assess whether the Q1 Reporting Error constituted inside information or determined that it did not. In either case, Oslo Børs is of the view that the Q1 Reporting Error clearly constitutes inside information, as evidenced by the 311% surge in the Company's stock price following the Q1 Announcement. The conduct of the CFO indicates that the CFO lacked sufficient competence and expertise in disclosure requirements to recognize the Q1 Reporting Error as (potential) inside information.

Additionally, the CFO did not ensure that the Q1 Reporting Error was explicitly addressed in the Q2 & H1 Original Announcement. It is not deemed likely that the CFO would have initiated the correction through the Q2 & H1 Correction Announcement, had a shareholder not alerted the Company to the discrepancies between the information in the Q1 Announcement and the Q2 & H1 Original Announcement.

Based on the above assessments, Oslo Børs concludes that the CFO, acting on behalf of the Company, demonstrated sufficient negligence to warrant administrative sanctions for the Company.

5.3. Violation charge

5.3.1. Assessment of whether a violation charge shall be imposed

As mentioned under section 2.3, an assessment must be made of whether a violation charge should be imposed after a review of the factors in section 21-14 of the Securities Trading Act and section 46 (2) of the Public Administration Act. The factors in the two provisions partially overlap, and in the following, the factors in the Public Administration Act are only assessed where there are no corresponding provisions in section 21-14 of the Securities Trading Act.

Oslo Børs considers the violation to be serious, cf. section 21-14 no. 1 of the Securities Trading Act regarding the gravity of the infringement. The Company's CFO either lacked the competence and expertise to identify the Q1 Reporting Error as inside information or attempted to conflate the error with the Q2 & H1 report. In either case, the CFO failed to inform the Company's general

manager and/or Board about the Q1 Reporting Error, contrary to the Company's internal routines and procedures.

Further, as explained under section 5.2 above, Oslo Børs assesses that the individual(s) acting on behalf of the Company demonstrated ordinary negligence, cf. section 21-14 no. 2 of the Securities Trading Act regarding the degree of negligence of the infringer.

In assessing the issuer's financial capability, cf. section 21-14 no. 3 of the Securities Trading Act, Oslo Børs considers the Company's current financial position relatively limited. For the 2023 financial year, the Company reported revenues of USD 23.9 million but incurred a loss before income tax of USD 14.8 million. Furthermore, in the Q2 & H1 Correction Announcement, the Company reported revenues of USD 10.6 million with a loss before income tax of USD 4.7 million for H1 of 2024.

Regarding profit gained or loss avoided, cf. section 21-14 no. 4 of the Securities Trading Act, there is no indication that the Company gained any profit or avoided losses as a result of the market not being informed about the Q1 Reporting Error before 30 August 2024.

Furthermore, reference is made to section 21-14 no. 5 of the Securities Trading Act regarding whether third parties suffered losses due to the infringement. Oslo Børs is not aware of such losses beyond the value loss experienced by those who bought shares without knowledge of the Q1 Reporting Error in the three months between the Q1 Announcement and the Q2 & H1 Correction Announcement. Reference is also made to the assessment in section 3.2 above with respect to impact on price and volume.

The Company has responded to the Oslo Børs' inquiries and has been cooperative, cf. section 21-14 no. 6 of the Securities Trading Act on the willingness to cooperate with the authorities. The communication between Oslo Børs and the Company has been good in the period following the Q2 & H1 Announcements, and the Company has responded to the Oslo Børs' inquiries within the set deadlines, providing detailed information about the Company's assessments and information management.

Regarding previous infringements, cf. section 21-14 no. 7 of the Securities Trading Act, Oslo Børs has registered one prior incident from 21 April 2017. In that incident, Oslo Børs provided the Company with guidance on disclosure requirements for future market communications relating to the Company's handling of a delay in a previously announced timeline for drilling an oil well. However, to the best of Oslo Børs' knowledge, the Company has not been sanctioned previously for any violations of MAR, cf. section 46 (2) letter h. of the Public Administration Act.

Oslo Børs has also been informed that the Company has taken steps to prevent future violations, cf. section 21-14 no. 9 of the Securities Trading Act on other relevant factors, and MAR Article 31

(1) letter g. regarding measures to prevent recurrence. On 18 September 2024, the Company appointed a new CFO to strengthen its reporting capabilities, a decision influenced by the errors in the Q1 and Q2 & H1 Announcements. Additionally, the Company has stated that, in collaboration with external counsel, it has reviewed its routines and procedures to reduce the risk of similar incidents occurring in the future. As part of these efforts, on 18 October 2024, the Company decided to establish an audit committee comprising members with extensive experience in accounting, administration, and finance. Oslo Børs' overall impression is that the Company is taking this incident seriously.

Oslo Børs considers that the violation charge will have a preventive effect on the Company to avoid repeated breaches of the rules on the disclosure of inside information, cf. section 46 (2) letter a. of the Public Administration Act on the preventive effect of the sanction.

Oslo Børs expects companies listed on its trading venues to have a conscious understanding of the regulations and to establish routines and procedures that ensure compliance. In this case, Oslo Børs assesses that the Company could and should have recognized the Q1 Reporting Error as inside information on 21 August 2024, and that adequate training and possibly improved internal guidelines and procedures could have prevented the violation, cf. section 46 (2) letter c. of the Public Administration Act.

The rules governing companies' disclosure obligations and handling inside information are critical for maintaining market participants' trust in the marketplace, which is essential for a well-functioning capital market. A necessary condition for sustaining market confidence is that companies fully understand and comply with these rules. Therefore, Oslo Børs concludes that a violation charge should be imposed on the Company.

5.3.2. Sanction level

The rules for determining violation charges were amended with the implementation of MAR. For legal entities, such charges for breaches of MAR Article 17 may amount to up to NOK 22 million or up to 2% of total annual turnover, according to the most recent approved annual accounts, cf. section 21-1 (3) of the Securities Trading Act. When determining charges, factors outlined in section 21-14 of the Securities Trading Act and section 46 (2) of the Public Administration Act may be considered, as described in section 5.3.1 above.

Since the implementation of MAR, Oslo Børs has imposed violation charges in three cases. The first case involved Endur ASA, in a decision dated 12 January 2023, concerning a breach of the obligation to publicly disclose inside information. Specifically, the company breached financial covenants and was informed of this issue by a third party after the publication of its half-year report and earnings presentation. The charge was set at NOK 200,000, which, under the previous determination rules, would have corresponded to approximately one year's listing fee. Aggravating

factors in this case included the company's insufficient routines and procedures as well as inadequate financial management, which prevented the issue from being detected internally. Mitigating factors included the short duration of the breach, which lasted one trading day, and the disproportionately long processing time by Oslo Børs.

The second case concerned SoftOx Solutions AS, in a decision dated 18 September 2023. This case involved the failure to disclose inside information in a timely manner, specifically regarding SoftOx Solutions AS's challenging liquidity situation. The charge in this case was set at NOK 300,000, equivalent to twice the company's annual listing fee. Aggravating factors included the delay over a weekend before the company began analyzing a critical email and its implications. Furthermore, Oslo Børs found the company's assessment of whether the conditions for delayed disclosure were met to be incorrect. It was also considered aggravating that the company sought to protect its own interests by withholding disclosure of its liquidity situation to obtain new capital at favourable prices. Mitigating factors included the short duration of the breach and the company's financial strength.

The final violation charge case following the implementation of MAR concerned Gigante Salmon AS, in a decision dated 10 September 2024. This case related to the company's failure to disclose inside information in a timely manner, specifically that the company's previously announced cost estimate for the development of its production facility required a significant upward adjustment. The charge was set at NOK 220,000, corresponding to one year's listing fee. Mitigating factors included the relatively short duration of the breach, which lasted six days, including three trading days, as well as the company's limited financial strength.

Before MAR was implemented, the last decision concerning violation charges for breaches of disclosure obligations was made against Navamedic ASA on 3 December 2020. The company was charged twice the listing fee for failing to disclose inside information in a timely manner. The breach lasted for 10 trading days. Mitigating factors included Navamedic ASA's maintenance of confidentiality during the period, which appeared to limit the damage, and Oslo Børs' somewhat prolonged processing time.

In 2016, Sandnes Sparebank was charged four times the annual listing fee for failing to disclose inside information in a timely manner. The company had delayed the disclosure of inside information related to two incidents that altered the assumptions underlying the bank's loss calculations, leading to significantly increased impairments compared to what had been communicated in a prior financial report. Oslo Børs assessed that the company delayed disclosure beyond the period permitted under the conditions for delayed disclosure and ultimately disclosed the information 16 trading days after, in Oslo Børs' opinion, the disclosure obligation arose.

In 2015, Scana Industrier ASA was charged three times the annual listing fee for breaching the disclosure obligation. The case concerned the failure to disclose information about the non-receipt of payment related to a company sale. Oslo Børs noted that it was unlikely the company could have justified delaying disclosure of the information, as the issue had already occurred, and it was clear that the payment had not been received. The market would have been misled if the non-payment was not disclosed, given the expectations set by the company's prior communications. The breach lasted for several months and was only briefly mentioned in a quarterly report. A mitigating factor in this case was the long time between Oslo Børs' discovery of the issue and its final decision.

In 2013, Northland Resources S.A. was charged seven times the annual listing fee for failing to disclose information about increased operating and investment costs and the effects of revised assumptions on other factors likely to affect the company's revenue and financial situation. During this period, external financing was also raised. Oslo Børs found that the company failed to disclose deviations from prior market communications and that the company's communication was selective. Aggravating factors included the nearly two-month duration of the breach, the sensitivity of the information, and the large number of external parties who gained knowledge of the information, which potentially contributed to leaks. Oslo Børs also noted that the company's challenging financial situation made accurate information management particularly important.

In the current case, Oslo Børs is of the opinion that the Company must be held accountable for the CFO's apparent lack of sufficient competence regarding the rules on inside information, which led to a violation of the Company's duty to promptly disclose information about the Q1 Reporting Error. It is considered an aggravating factor that the Company failed to disclose the information in the Q2 & H1 Original Announcement and only addressed the Q1 Reporting Error explicitly in the Q2 & H1 Correction Announcement after inconsistencies were pointed out by an investor. Additionally, Oslo Børs considers it an aggravating factor that the Company (or its subsidiary, Interoil Argentina) initially made the Q1 Reporting Error, as this error misled the market during the three-month period between the Q1 Announcement and the Q2 & H1 Announcements.

However, Oslo Børs considers it positive that the Company's Board and management took the Q1 Reporting Error seriously once it was brought to their attention on 30 August 2024. The correspondence between Oslo Børs and the Company has been constructive, with the Company prioritizing the matter and responding to requests in a timely manner. While Oslo Børs expects issuers to implement remedial measures following breaches of disclosure obligations, it views positively the steps taken by the Company to prevent future violations, including appointing a new CFO and establishing an audit committee.

As noted, nine days, including seven trading days, elapsed between the time the Company's disclosure obligation arose and the publication of the Q2 & H1 Correction Announcement. This

duration is considered neither a mitigating nor an aggravating factor. The Company's limited financial strength, however, is viewed as a mitigating factor. Oslo Børs' processing time has not been prolonged and therefore does not constitute a mitigating factor in this case.

Based on these considerations, Oslo Børs deems an appropriate charge to be slightly below the middle of the scale. Accordingly, the charge has been set at NOK 750,000, which, under previous determination rules, would correspond to just below three year's listing fee.

6. Decision

"For breaching the duty to disclose inside information in a timely manner, a violation charge of NOK 750,000 is imposed on Interoil Exploration and Production ASA, cf. Article 17 (1) of MAR, cf. section 4.2.1.1 of the Euronext Oslo Rule Book II, and section 21-1 (5), cf. section 19-1 (3) of the Securities Trading Act, cf. section 17-1 of the Securities Trading Regulation".

OSLO BØRS ASA