

**FLEX LNG LTD (FLEX LNG) Announces that InterOil Corporation (InterOil) and Pacific LNG Operations Ltd (Pacific LNG) Have Signed a Heads of Agreement (HOA) with Noble Clean Fuels Limited (Noble) for the Supply of LNG From the Gulf LNG Project in Papua New Guinea (PNG).**

Road Town, Tortola, 03 August 2011. FLEX LNG (Oslo Axess: FLNG) is pleased to announce that InterOil has announced that an HOA has been executed for the supply of one million tonnes per annum (mtpa) of LNG from the Gulf LNG Project in PNG (please see press release from InterOil attached hereto).

The HOA sets out the basis upon which the parties intend to conclude terms for the purchase and sale of one mtpa of LNG, (FOB) for a period of 10 years commencing in 2014, to be supplied by the proposed Gulf LNG Project in PNG. InterOil and Pacific LNG intend to complete negotiations and execute binding agreements with Noble later this year.

Commenting on the LNG offtake HOA, Chief Executive Officer of FLEX LNG Management Ltd, Philip Fjeld stated:

"We are very pleased that the Gulf LNG project has signed its first agreement for LNG offtake. As we stated in May 2011, FLEX LNG has received excellent feedback from the LNG industry regarding the Gulf LNG project and we expect to see further significant LNG offtake progress being made later this year.

The field-specific FEED that FLEX LNG started in May 2011 for the floating liquefaction facility destined for the Gulf LNG project continues to move ahead as scheduled and remains on track for completion in time to take a final investment decision for the project within 2011."

**About FLEX LNG LTD**

FLEX LNG was incorporated in 2006 and is listed in Norway under the ticker code FLNG. The Company was incorporated with the objective of commercialising some of the world's first floating liquefaction units (LNG Producers). The Company holds contracts with Samsung Heavy Industries for the LNG Producer Hull and for the Engineering, Procurement, Construction, Integration and Commissioning of the liquefaction unit.

In April 2011 the Company executed agreements with InterOil Corporation, Pacific LNG Operations, Liquid Niugini Gas and Samsung Heavy Industries for an FLNG project that would liquefy natural gas from the onshore Elk and Antelope gas fields in the Gulf Province in PNG. The parties are working to complete FEED for the FLNG facility and reach a final investment decision for the Gulf LNG project before the end of 2011. Commencement of operations is targeted for 2014. The Company is also working on a number of other promising projects.

**For further information please contact:**

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## NEWS RELEASE

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### **INTEROIL AND NOBLE SIGN HEADS OF AGREEMENT ON LNG SALE**

**Singapore and Houston, TX** -- August 2, 2011 -- InterOil Corporation (NYSE:IOC) (“InterOil”) and Pacific LNG Operations Ltd. (“Pacific LNG”) announced the signing of a Heads of Agreement (HOA) with Noble Clean Fuels Limited (“Noble”), a wholly owned subsidiary of Noble Group Limited, for the supply of one million tonnes per annum (mtpa) of Liquefied Natural Gas (LNG) from the Gulf LNG Project in Papua New Guinea.

The Gulf LNG Project in Papua New Guinea (PNG) comprises the Elk and Antelope gas fields and Liquid Niugini Gas Ltd., the InterOil and Pacific LNG joint-venture project company, with modular LNG plants contracted with Energy World Corp. Ltd. and a Fixed Floating LNG facility being developed with Flex LNG Ltd. and Samsung Heavy Industries Co., Ltd.

The HOA sets out the basis upon which the parties intend to conclude terms for the purchase and sale of one mtpa of LNG, (FOB) for a period of 10 years commencing in 2014, to be supplied by the proposed Gulf LNG Project in PNG. InterOil and Pacific LNG intend to complete negotiations and execute binding agreements with Noble later this year.

InterOil Chief Executive Officer Phil Mulacek commented, “We are pleased to have executed our first HOA for LNG off-take from our Gulf LNG Project in Papua New Guinea. InterOil is proud to work with the Noble Group, which has a proven track record of providing long-term fuel supply to major utilities across Japan, Korea, China, and Asia as a whole.”

Liquid Niugini Gas V.P. LNG Marketing Conrad Kerr commented, “Noble is a good fit for the InterOil strategy of mid-scale and FLNG LNG production, and LNG supply is a natural expansion of the Noble Group’s historical relationships in long-term coal supply for power generation.”

#### **About InterOil**

*InterOil Corporation is developing a vertically integrated energy business whose primary focus is Papua New Guinea and the surrounding region. InterOil’s assets consist of petroleum licenses covering about 3.9 million acres, an oil refinery, and retail and commercial distribution facilities, all located in Papua New*

Guinea. In addition, InterOil is a shareholder in a joint venture established to construct an LNG plant in Papua New Guinea.

InterOil's common shares trade on the NYSE in US dollars.

### **About Noble Group**

Noble Group (SGX: N21) manages the global supply chain of agricultural and energy products, metals and minerals. Noble operates from over 120 offices in 40 countries, employing approximately 80 nationalities. Noble manages a diversified portfolio of essential raw materials, integrating the sourcing, marketing, processing, financing and transportation. Noble owns and manages an array of strategic assets, sourcing from low cost producers such as Brazil, Argentina, Australia and Indonesia and supplying to high growth demand markets including China, India and the Middle East. Today, Noble has interests in grain crushing facilities, coal and iron ore mines, fuel terminals and storage facilities, sugar and ethanol plants, ports, vessels and other key infrastructure.

This signing of the HOA is not material under the listing rules of the Singapore Stock Exchange.

### **About Pacific LNG**

Pacific LNG is an affiliate of Clarion Finanz A.G, a private company specialized in energy and mining investments. Pacific LNG owns an economic interest of approximately 20% in the Elk Antelope fields, 47.5 % of Liquid Niugini Gas and is a large shareholder of InterOil.

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### ***Forward Looking Statements***

This press release includes “forward-looking statements” as defined in United States federal and Canadian securities laws. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the InterOil expects, believes or anticipates will or may occur in the future are forward-looking statements, including in particular, the supply of LNG from the Gulf LNG Project, the construction and development of the proposed Gulf LNG Project including LNG plants, the completion of a definitive supply agreement with Noble including the quantity of LNG to be supplied under the agreement and the duration of the agreement, the timing of LNG production from the Gulf LNG Project, and InterOil's strategy . These statements are based on certain assumptions made by the Company based on its experience and perception of current conditions, expected future developments and other factors it believes are appropriate in the circumstances, including the heads of agreement entered into with each of Flex Ltd., Samsun Heavy Industries, Energy World Corporation and Noble. No assurances can be given however, that these events will occur. Actual results will differ, and the difference may be material and

adverse to the Company and its shareholders. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause our actual results to differ materially from those implied or expressed by the forward-looking statements. Some of these factors include the risk factors discussed in the Company's filings with the Securities and Exchange Commission and on SEDAR, including but not limited to those in the Company's Annual Report for the year ended December 31, 2010 on Form 40-F and its Annual Information Form for the year ended December 31, 2010. In particular, there is no established market for natural gas or gas condensate in Papua New Guinea and no guarantee that gas or gas condensate from the Elk and Antelope fields will ultimately be able to be extracted and sold commercially.

Investors are urged to consider closely the disclosure in the Company's Form 40-F, available from us at [www.interoil.com](http://www.interoil.com) or from the SEC at [www.sec.gov](http://www.sec.gov) and its and its Annual Information Form available on SEDAR at [www.sedar.com](http://www.sedar.com).