

Reuters ProVestor Plus Company Report

6 August 2009

InterOil Corporation (USA) (NYSE:IOC)

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Overview

Fiscal Year ends December 31. All data are on a fiscal year basis except where noted. All financials are reported to conform to the current year presentation and may reflect certain reclassifications made in prior years. TTM = Trailing Twelve Month. MRQ = Most Recent Quarter.

Business Summary

InterOil Corporation (InterOil) is an integrated energy company operating in Papua New Guinea. The Company operates in four business segments: Upstream, Midstream, Downstream and Corporate. Upstream includes Exploration and Production, which explores oil and natural gas in Papua New Guinea. Midstream Refining produces refined petroleum products at Napa Napa in Port Moresby, Papua New Guinea for the domestic market and for exports, and Midstream Liquefaction includes developing an onshore liquefied natural gas (LNG) processing facility in Papua New Guinea. Downstream includes Wholesale and Retail Distribution, which markets and distributes refined petroleum products domestically in Papua New Guinea. Corporate engages in business development and improvement activities, and providing general and administrative services and management, undertakes financing and treasury activities, and is responsible for government and investor relations.

Financial Summary

BRIEF: For the three months ended 31 March 2009, InterOil Corp.'s revenues increased 16% to \$161.7M. Net income total \$2.6M, vs. a loss of \$2.4M. Revenues reflect an increase in sales from Upstream segment, higher income from Midstream Refining segment and increased income from Midstream Liquefaction segment. Net income reflects lower legal & professional fees, decreased short term borrowing costs and the absence of exploration impairment charges.

Share Price Summary

Close Price on 8/6/09	\$28.79
Absolute Price Change on 8/6/09	(0.76)
Percent Change	(2.57%)
52-Week High	\$38.10
52-Week Low	\$8.90
Beta	1.332

Percent Price Change

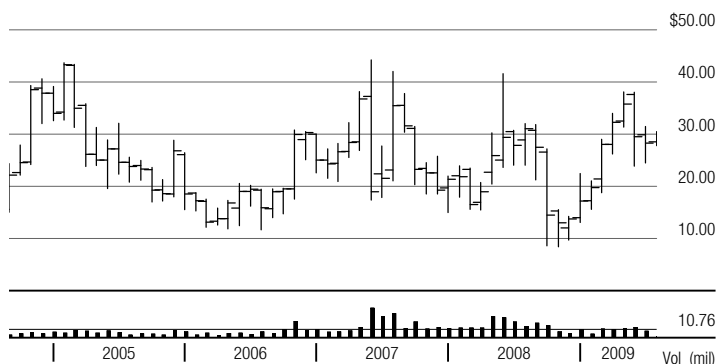
Time Period	
Year to Date	109.38
One Year	3.75
Two Years	1.09
Three Years	66.90
Five Years	NA

IOC	
109.38	
3.75	
1.09	
66.90	
NA	

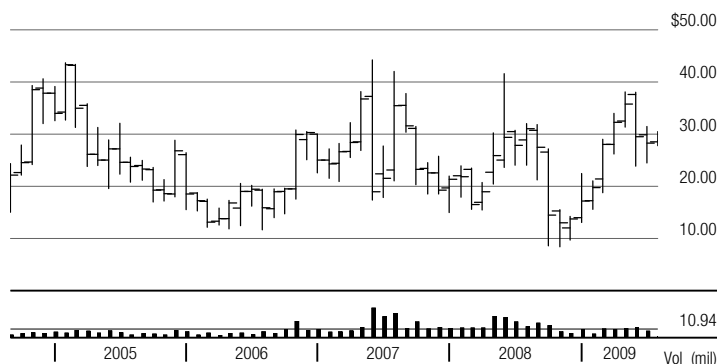
Overview

Float (mil)	29,700
10 Day Average Volume (mil)	0.291
1 Day Volume Change on 8/6/09	52.63%
Market Capitalization (mil)	\$1,055
TTM Price/Earnings	NA
Price/Earnings Current Fiscal Year Estimate	63.98

Price Chart (Monthly)



5 Year Price Chart (Monthly)



Price History

Calendar Year	2002	2003	2004	2005	2006	2007	2008	Qtr. to Date	Yr. to Date
High Price	10.50	24.65	40.60	43.65	30.80	44.25	41.62	38.10	38.10
Low Price	4.75	9.29	15.02	17.50	12.14	17.84	8.90	24.35	13.53
Year End Price	7.58	24.65	37.84	26.80	30.29	19.26	13.75	NA	NA
High P/E	NA	83.99	NM	NM	NM	NM	NA	NM	NM
Low P/E	NA	31.66	NM	NM	NM	NM	NA	NM	NM
Year End P/E	NA	83.99	NM	NM	NM	NM	NA	NA	NA
Dividend Yield (%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	NA	NA

Per Share Statistics and Current Price Multiples

	Per Share	Multiple
Earnings (TTM)	(\$0.25)	NM
Book Value (MRQ)	\$6.31	4.6
Cash Flow (TTM)	\$0.19	150.2
Revenues (TTM)	\$23.40	1.2

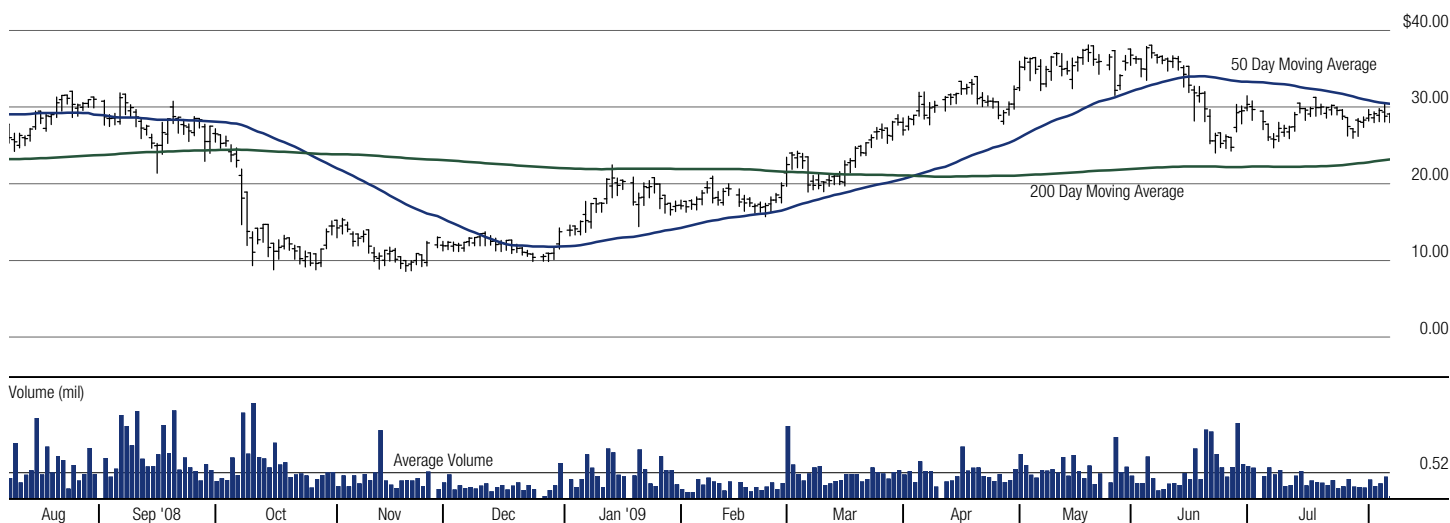
Employees

Employee Count	620
Sales Per Employee (TTM)	\$1,433,832
Net Income Per Employee (TTM)	(\$10,897)

Stock Price Performance

TTM = Trailing Twelve Month. YTD = Year to Date.

52 Week Price History

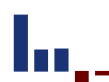


Price Performance

Time Period	Actual Change	Percent Change	vs. S&P 500	vs. Industry	Rank in Industry	Industry Rank
4 Week	1.59	5.9%	(6.3%)	(6.5%)	43	36
13 Week	(4.22)	(12.8%)	(20.6%)	(16.2%)	26	12
26 Week	10.78	59.9%	35.6%	52.1%	81	9
52 Week	1.04	3.8%	34.1%	22.1%	91	55
Year To Date	15.04	109.4%	89.7%	94.0%	87	28

Bar Chart Key

YTD → 4 Wk.



Rank Key

Worst → Best 1 → 100



Analyst Footnotes

Our analyst has not found anything in the InterOil Corporation (USA) financials that warrants a footnote.

Insider Trading

In the last 6 months, there have been no insider purchases, and there have been no insider sales.

Net Change (6 months) 0.0
6 Month Net Transactions 0

Equity Information

Common Stock no Par, 5/09, unlim. auth., 36,629,074 issd. Insiders own 18.80%. IPO: N/A. 03/09, Exchange changed from American Stock Exchange to New York Stock Exchange.

Officers

Phil E. Mulacek	Chairman of the Board, Chief Executive Officer
William J. Jasper	President, Chief Operating Officer
Collin F. Visaggio	Chief Financial Officer
Christian M. Vinson	Executive Vice President - Corporate Development and Government Affairs...
Mark A. Laurie	General Counsel, Company Secretary

Institutional Ownership

103 institutions own 28.8% of the 36.63 million common shares outstanding. This is lower than the average institutional ownership of the Oil & Gas Operations Industry at 46.3%, and lower than the average of the S&P 500 as a whole which is 68.4%.

Net Change (Most Recent Quarter)	(5.9%)
Net Purchases (Most Recent Quarter)	(208,000)
Shares Purchased (Most Recent Quarter)	2.26 mil
Shares Sold (Most Recent Quarter)	2.47 mil

Headquarters

60-92 Cook Street
Level 1
Cairns, QLD 4870
Australia

Telephone: 740464600
Facsimile: Not available.

Industry Overview

InterOil Corporation (USA) is in the Oil & Gas Operations Industry of the Energy Sector. Below is a list of companies most similar to the market capitalization of InterOil Corporation (USA) in the Oil & Gas Operations Industry and listed in descending order. There are 410 companies in this industry. TTM = Trailing Twelve Months.

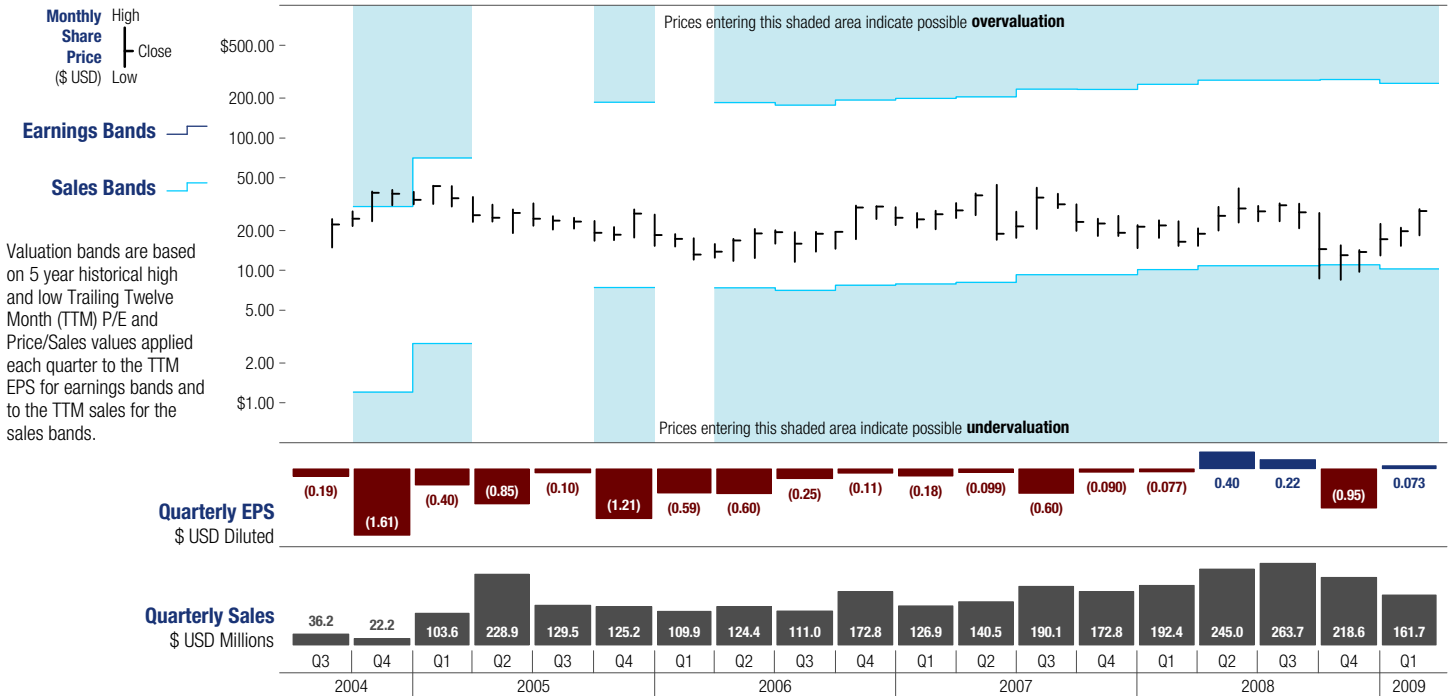
Peer Comparisons

Company Name (Ticker Symbol)	Market Cap. (Millions)	TTM Revenue (Millions)	Net Margin	P/E 8/6/09	Price 8/6/09	52-Week High	52-Week Low
Newfield Exploration Co. (NFX)	\$5,335.49	\$1,567.00	(50.9%)	NA	\$40.22	\$49.12	\$15.45
Ultrapar Participacoes SA (ADR) (UGP)	\$4,576.29	\$15,467.70	1.4%	21.5x	\$34.28	\$37.65	\$13.50
CNX Gas Corporation (CXG)	\$4,260.54	\$762.99	27.8%	20.1x	\$28.22	\$32.46	\$14.08
Enterprise GP Holdings L.P. (EPE)	\$4,142.34	\$31,850.22	3.6%	20.9x	\$29.76	\$31.27	\$14.50
Denbury Resources Inc. (DNR)	\$4,088.70	\$1,021.53	9.4%	48.3x	\$16.43	\$26.65	\$5.59
Cabot Oil & Gas Corporation (COG)	\$3,631.70	\$916.05	20.1%	19.9x	\$35.04	\$46.86	\$17.84
Enerplus Resources Fund (USA) (ERF)	\$3,593.50	\$1,813.06	42.1%	4.7x	\$21.67	\$43.46	\$12.85
Sinopec Shanghai Petrochemical Co. (ADR) (SHI)	\$3,559.61	\$8,685.12	(10.5%)	NA	\$49.44	\$52.09	\$14.50
Pioneer Natural Resources (PXD)	\$3,353.40	\$1,926.16	(8.8%)	NA	\$29.42	\$66.90	\$11.88
Cimarex Energy Co. (XEC)	\$3,089.47	\$1,702.32	(90.8%)	NA	\$37.09	\$57.42	\$15.35
Plains Exploration & Production Company (PXP)	\$3,043.90	\$1,554.88	(66.0%)	NA	\$24.95	\$58.86	\$15.25
Sunoco, Inc. (SUN)	\$2,992.63	\$37,437.00	2.3%	4.1x	\$25.60	\$49.44	\$21.30
Concho Resources Inc. (CXO)	\$2,869.52	\$503.03	44.6%	12.5x	\$33.55	\$35.20	\$14.71
EXCO Resources, Inc. (XCO)	\$2,850.88	\$2,438.76	(101.7%)	NA	\$13.50	\$28.98	\$4.08
Linn Energy, LLC (LINE)	\$2,477.70	\$2,239.26	74.2%	1.5x	\$21.55	\$23.00	\$10.81
Whiting Petroleum Corporation (WLL)	\$2,421.07	\$1,006.29	(2.7%)	NA	\$47.62	\$99.26	\$19.26
Baytex Energy Trust (USA) (BTE)	\$2,232.48	\$872.08	23.3%	10.1x	\$20.95	\$30.67	\$7.84
Pengrowth Energy Trust (USA) (PGH)	\$2,145.03	\$1,701.84	21.8%	5.7x	\$8.32	\$18.09	\$4.51
AmeriGas Partners, L.P. (APU)	\$2,012.03	\$2,610.81	9.4%	8.5x	\$35.27	\$38.00	\$17.98
Quicksilver Resources Inc (KWK)	\$1,947.11	\$829.07	(118.6%)	NA	\$11.52	\$28.26	\$3.74
Encore Acquisition Company (EAC)	\$1,867.85	\$783.01	55.8%	5.0x	\$35.38	\$55.53	\$17.04
Comstock Resources, Inc. (CRK)	\$1,807.94	\$402.59	(14.6%)	NA	\$38.78	\$68.64	\$24.34
Tesoro Corporation (TSO)	\$1,780.66	\$20,277.00	1.8%	5.1x	\$12.76	\$20.17	\$6.71
SandRidge Energy Inc. (SD)	\$1,749.86	\$1,071.74	(237.0%)	NA	\$9.62	\$47.68	\$4.49
Premier Oil PLC (ADR) (PMOY)	\$1,722.38	\$655.20	15.0%	19.6x	\$21.70	\$25.25	\$10.10
St. Mary Land & Exploration Co. (SM)	\$1,668.69	\$986.68	(13.6%)	NA	\$26.70	\$45.97	\$11.21
Forest Oil Corporation (FST)	\$1,655.13	\$1,132.18	(185.0%)	NA	\$17.05	\$60.16	\$10.33
Inergy, L.P. (NRGY)	\$1,520.28	\$1,680.00	6.1%	24.0x	\$27.26	\$30.99	\$12.38
Frontier Oil Corporation (FTO)	\$1,447.90	\$6,159.25	1.7%	13.4x	\$13.82	\$23.60	\$7.51
Bill Barrett Corporation (BBG)	\$1,412.29	\$594.82	13.4%	17.4x	\$31.07	\$66.96	\$14.93
World Fuel Services Corporation (INT)	\$1,272.72	\$16,031.86	0.7%	11.0x	\$43.19	\$48.75	\$13.78
Arena Resources, Inc. (ARD)	\$1,257.88	\$183.74	39.1%	17.5x	\$32.92	\$47.36	\$17.63
Holly Corporation (HOC)	\$1,096.23	\$5,038.51	2.8%	8.2x	\$21.88	\$36.62	\$10.84
InterOil Corporation (USA) (IOC)	\$1,054.55	\$888.98	(0.8%)	NA	\$28.79	\$38.10	\$8.90
Mariner Energy, Inc. (ME)	\$1,052.61	\$1,227.95	(72.1%)	NA	\$11.70	\$31.40	\$6.46
Berry Petroleum Company (BRY)	\$1,016.09	\$683.84	10.3%	14.9x	\$22.77	\$46.43	\$5.50
Gran Tierra Energy Inc. (GTE)	\$955.22	\$126.78	26.0%	16.3x	\$3.79	\$5.45	\$1.72
Goodrich Petroleum Corporation (GDP)	\$934.51	\$159.25	104.7%	6.8x	\$24.84	\$58.45	\$14.57
W&T Offshore, Inc. (WTI)	\$857.06	\$665.95	(151.7%)	NA	\$11.22	\$38.99	\$4.94
Penn Virginia Corporation (PVA)	\$797.89	\$994.38	14.2%	8.6x	\$19.05	\$69.99	\$7.22
Targa Resources Partners LP (NGLS)	\$779.95	\$1,801.08	3.6%	13.3x	\$16.54	\$24.46	\$6.04
Aegean Marine Petroleum Network Inc. (ANW)	\$778.62	\$2,611.36	1.4%	21.2x	\$18.29	\$36.62	\$7.62
CVR Energy, Inc. (CVI)	\$777.06	\$3,683.29	5.0%	4.2x	\$9.01	\$18.36	\$2.15
Advantage Oil & Gas Ltd. (USA) (AAV)	\$747.77	\$625.94	3.3%	39.4x	\$5.15	\$11.37	\$1.87
Surgutneftegas OAO (ADR) (SGTZY)	\$716.10	NA	NA	NA	\$8.25	\$8.88	\$3.09
Apco Oil & Gas International Inc. (APAGF)	\$712.18	\$70.76	31.6%	31.8x	\$24.19	\$30.75	\$6.39
Contango Oil & Gas Company (MCF)	\$695.21	\$223.61	34.6%	9.8x	\$43.92	\$84.58	\$31.69
Enbridge Energy Management, L.L.C. (EEQ)	\$671.00	\$0.00	NA	33.3x	\$41.80	\$46.08	\$20.12
BPZ Resources, Inc. (BPZ)	\$641.56	\$71.81	(12.9%)	NA	\$6.79	\$21.98	\$2.25
Dorchester Minerals L.P. (DMLP)	\$627.50	\$77.48	71.2%	11.7x	\$22.22	\$30.69	\$14.37
Carrizo Oil & Gas, Inc. (CRZO)	\$623.05	\$194.32	(82.8%)	NA	\$20.08	\$51.67	\$6.71
McMoRan Exploration Co. (MMR)	\$599.63	\$595.43	(76.8%)	NA	\$6.88	\$29.88	\$3.14
Genesis Energy, L.P. (GEL)	\$570.94	\$1,908.99	1.5%	20.1x	\$14.47	\$19.66	\$6.42
Hugoton Royalty Trust (HGT)	\$568.40	\$71.69	98.9%	8.0x	\$14.21	\$31.89	\$7.29
Sabine Royalty Trust (SBR)	\$566.99	\$83.14	97.3%	7.0x	\$38.89	\$70.00	\$27.10
Swift Energy Company (SFY)	\$554.77	\$518.45	(87.1%)	NA	\$17.77	\$50.62	\$4.83
Rosetta Resources Inc. (ROSE)	\$551.97	\$450.46	(100.7%)	NA	\$10.56	\$24.49	\$3.52
Permian Basin Royalty Trust (PBT)	\$487.53	\$93.69	98.9%	5.3x	\$10.46	\$25.89	\$7.38
Western Refining, Inc. (WNR)	\$469.79	\$9,542.71	1.7%	2.8x	\$6.85	\$16.30	\$4.50
Venoco, Inc. (VQ)	\$468.48	\$480.39	(70.9%)	NA	\$8.94	\$18.12	\$1.91
Stone Energy Corporation (SGY)	\$454.98	\$730.21	(196.1%)	NA	\$11.39	\$53.25	\$1.55
Delta Petroleum Corp. (DPTX)	\$450.02	\$273.67	(167.6%)	NA	\$1.78	\$21.95	\$0.88
Paramount Resources, Ltd. (ADR) (PRMRF)	\$443.45	\$271.81	(35.0%)	NA	\$6.71	\$14.79	\$3.80
Alon USA Energy, Inc. (ALJ)	\$441.92	\$4,858.12	3.1%	3.6x	\$9.44	\$17.00	\$6.19
Delek US Holdings, Inc. (DK)	\$434.82	\$3,801.80	0.8%	15.0x	\$8.10	\$12.41	\$3.51
Brigham Exploration Company (BEXP)	\$421.05	\$106.69	(273.1%)	NA	\$5.35	\$14.50	\$1.04
TransAtlantic Petroleum Corp. (ADR) (TAPFF)	\$395.53	\$1.36	(1,549.9%)	NA	\$2.55	\$2.80	\$0.51

Quarterly Trends

Years are Fiscal Years. Current Fiscal Year End is December 31.
TTM = Trailing Twelve Month.

Price/Earnings and Price/Sales Bands

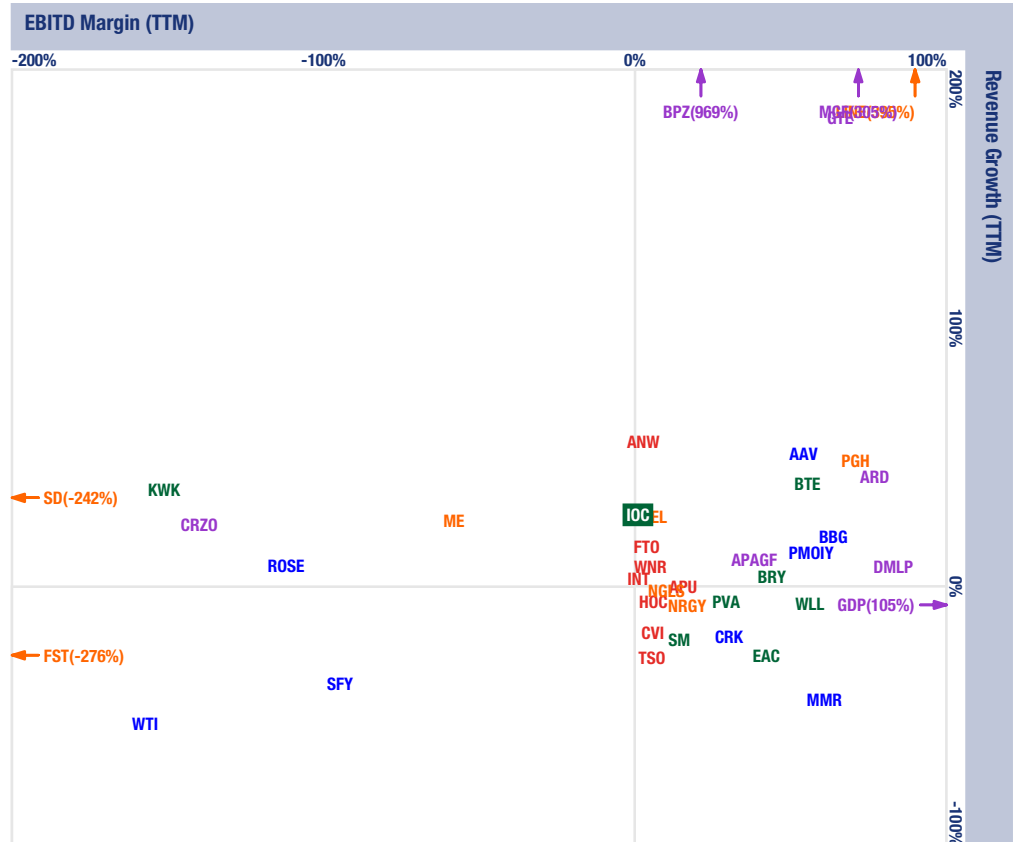


Industry Comparison of Revenue Growth and EBITD Margin*

Companies with higher than average EBITD margin and revenue growth are doing well. Companies with a low EBITD margin and revenue growth are suffering.

Companies for this scatter plot have a market capitalization between \$470 million and \$3 billion. Companies with NA or NM values do not appear.

*EBITD – Earnings Before Interest, Taxes and Depreciation.



Industry Valuation

This page compares selected valuation measures for InterOil Corporation (USA) with other companies in the Oil Et Gas Operations Industry as well as the S&P 500. TTM = Trailing Twelve Month. MRQ = Most Recent Quarter.

Valuation Ratios

	IOC	Industry	Sector	S&P 500	Company Rank in Industry
Price/Earnings for Trailing Twelve Months	NA	12.6	12.0	21.0	--
High Price/Earnings for the Last 5 Years	NA	18.5	24.2	31.0	--
Low Price/Earnings for the Last 5 Years	NA	7.4	6.8	10.1	--
Beta 5 Year Monthly Average	1.3	0.8	0.9	1.0	53
Price/Sales for Trailing Twelve Months	1.2	1.9	1.6	2.1	42
Price/Book for Most Recent Quarter	4.6	2.7	2.5	3.4	85
Price/Cash Flow for Trailing Twelve Months	144.8	8.3	7.8	13.5	100
Price/Tangible Book for Most Recent Quarter	4.7	2.8	2.7	5.6	84
Price/Free Cash Flow for Trailing Twelve Months	NA	42.3	39.4	24.2	--

Worst → Best

Dividend Comparisons

	IOC	Industry	Sector	S&P 500
Dividend Yield	NA	2.3%	2.7%	2.6%
5 Year Average Yield	0.0%	1.6%	1.7%	2.0%
5 Year Dividend Growth Rate	NA	18.8%	16.7%	13.0%
Payout Ratio for Trailing Twelve Months	NA	20.2	19.3	31.9

Dividend Trends

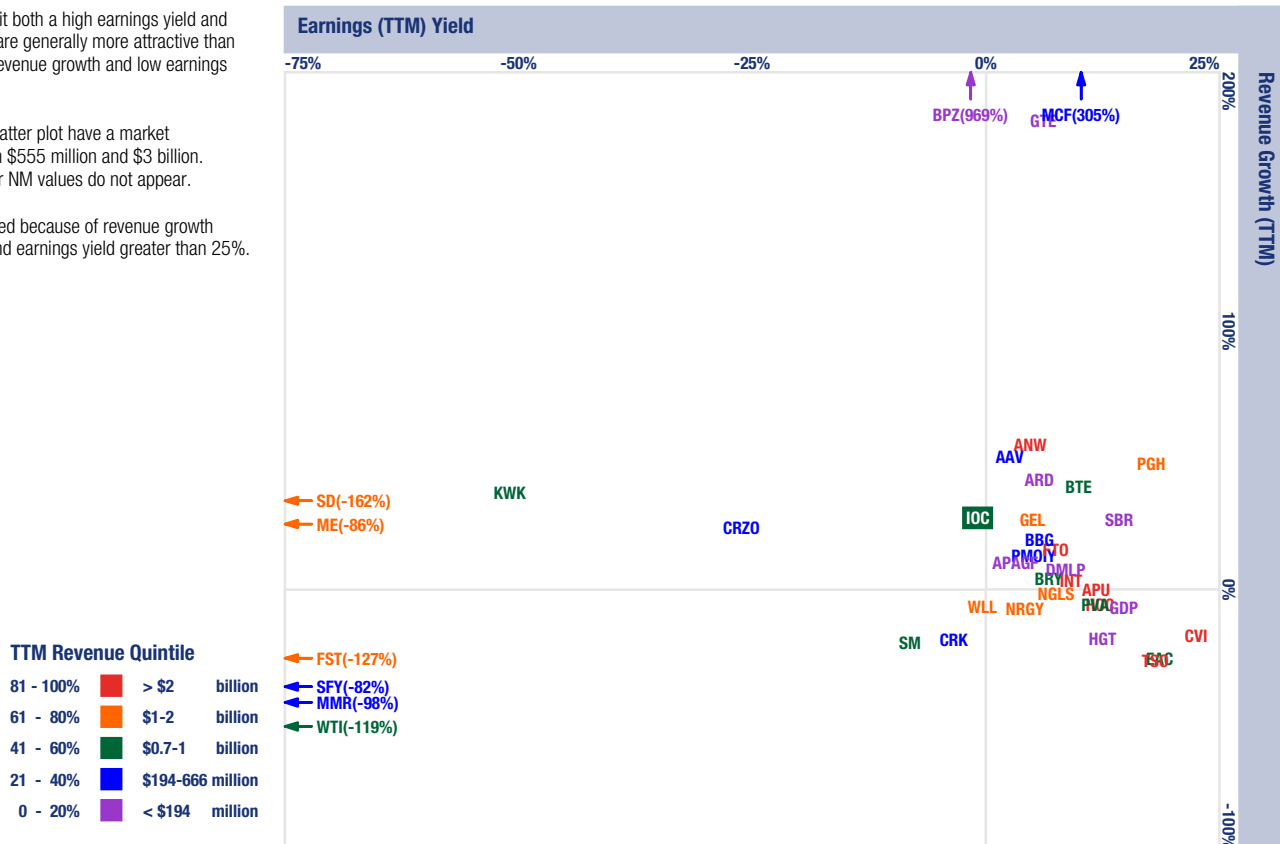
Fiscal Year	Dividends Per Share	Dividend Yield (%)
2008Q4	\$0.000	0.0%
2008Q3	\$0.000	0.0%
2008Q2	\$0.000	0.0%
2008Q1	\$0.000	0.0%
2008	\$0.000	0.0%

Industry Comparison of Revenue Growth and Earnings Yield

Companies that exhibit both a high earnings yield and high revenue growth are generally more attractive than companies with low revenue growth and low earnings yield.

Companies for this scatter plot have a market capitalization between \$555 million and \$3 billion. Companies with NA or NM values do not appear.

LINE has been excluded because of revenue growth greater than 200% and earnings yield greater than 25%.



Industry Returns

TTM = Trailing Twelve Month.

Company Quality

Profitability Ratios (%)	IOC	Industry	Sector	S&P 500	Company Rank in Industry
Gross Margin for Trailing Twelve Months	4.2	49.0	41.3	45.7	10
Gross Margin for Past 5 Years	4.5	49.8	40.3	45.8	8
Operating Margin for Trailing Twelve Months	(0.8)	10.3	12.0	14.8	65
Operating Margin for Past 5 Years	(7.4)	25.1	21.5	19.1	45
EBITD Margin for Trailing Twelve Months	1.0	24.7	22.9	20.7	57
EBITD Margin for Past 5 Years	(3.5)	35.6	30.1	22.8	34
Pretax Margin for Trailing Twelve Months	(0.8)	15.7	13.6	13.3	63
Pretax Margin for Past 5 Years	(7.4)	23.7	20.4	18.2	45
Net Margin for Trailing Twelve Months	(0.8)	5.2	6.7	8.9	63
Net Margin for Past 5 Years	(7.7)	14.7	13.1	12.6	45
Effective Tax Rate for Trailing Twelve Months	NA	37.7	35.7	29.5	NA
Effective Tax Rate for Past 5 Years	NA	36.7	35.0	30.5	NA

The trailing twelve month gross margin for InterOil Corporation (USA) is lower than the average for the industry.

Efficiency Ratios (TTM)	IOC	Industry	Sector	S&P 500	Company Rank in Industry
Asset Turnover	1.6	1.0	1.0	0.9	90
Receivables Turnover	14.1	9.8	9.2	10.2	87
Inventory Turnover	8.2	15.7	16.7	10.8	29
Revenue/Employee	\$1,433,832	\$3,643,892	\$3,072,435	\$866,013	54
Net Income/Employee	(10,896.8)	\$434,042	\$320,657	\$96,921	NA

The revenue per employee for InterOil Corporation (USA) is lower than the industry average.

Management Effectiveness Ratios (%)	IOC	Industry	Sector	S&P 500	Company Rank in Industry
Return on Assets for TTM	(1.2)	5.8	6.5	6.5	69
Return on Assets for Past 5 Years	(8.8)	12.8	12.1	8.7	44
Return on Investment for TTM	(1.6)	7.9	8.6	9.3	65
Return on Investment for Past 5 Years	(13.3)	16.1	15.4	12.5	36
Return on Equity for TTM	(4.2)	13.5	13.5	16.6	63
Return on Equity for Past 5 Years	(32.9)	25.8	24.9	20.4	28

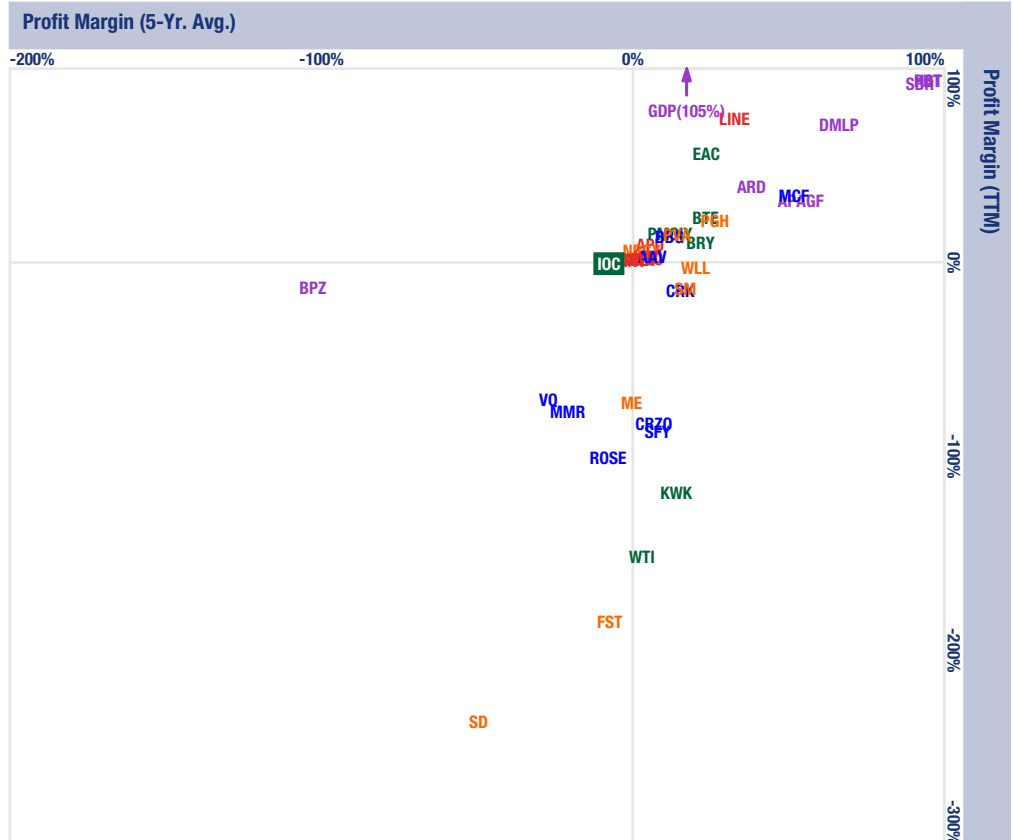
Worst → Best

The trailing twelve month return on assets for InterOil Corporation (USA) is lower than the industry average.

Industry Comparison of Profit Margin (TTM) and Profit Margin (5-Yr. Avg.)

Companies with trailing twelve month profit margins above their 5-year average are improving their profitability.

Companies for this scatter plot have a market capitalization between \$468 million and \$3 billion. Companies with NA or NM values do not appear.



Industry Profitability

TTM = Trailing Twelve Month. MRQ = Most Recent Quarter.

Financial Strength

	IOC	Industry	Sector	S&P 500	Company Rank in Industry
Quick Ratio	0.9	0.9	1.0	1.4	55
Current Ratio	1.5	1.3	1.5	1.9	70
Total Debt to Equity	0.7	0.5	0.5	0.8	42
Long Term Debt to Equity	0.5	0.4	0.4	0.7	54
Interest Coverage for Trailing Twelve Months	(4.8)	(6.8)	2.1	11.3	44

Worst → Best

Values are for Most Recent Quarter unless noted otherwise. InterOil Corporation (USA) is more leveraged than the average for the Oil & Gas Operations industry.

Growth Rates (%)

% Growth Rate	IOC	Industry	Sector	S&P 500	Company Rank in Industry
Sales Growth For Most Recent Quarter	(16.0)	(40.5)	(36.2)	(10.6)	74
Sales Growth For Trailing 12 Months	27.7	(9.1)	(5.7)	(2.6)	66
Sales Growth For Past 5 Years	412.9	23.7	23.1	13.3	99
Capital Spending Growth for Past 5 Years	(7.5)	26.3	28.6	12.2	11
EPS Growth for Most Recent Quarter	195.0	(55.0)	(53.6)	(15.0)	97
EPS Growth for Trailing Twelve Months	70.8	(14.9)	(10.7)	(12.4)	80
EPS Growth for Past 5 Years	NA	27.3	33.7	18.1	NA

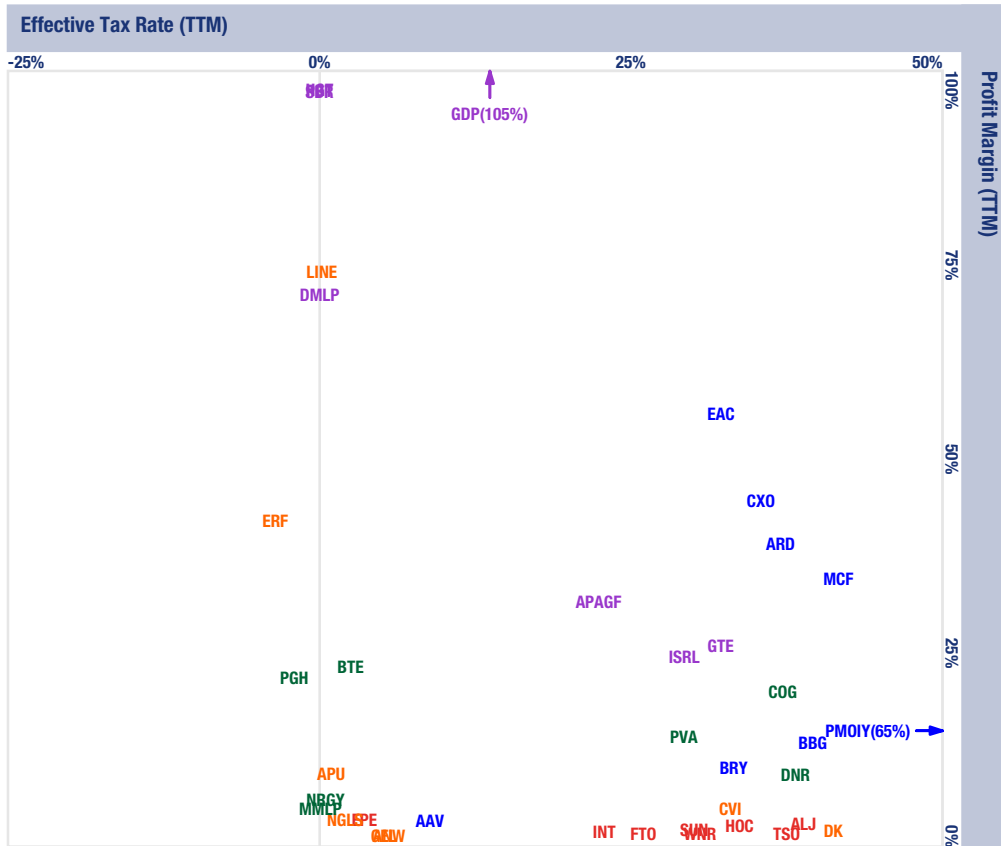
Worst → Best

Industry Comparison of Profit Margin and Effective Tax Rate

Earnings of companies with below average tax rates might erode if the tax rate increases.

Companies for this scatter plot have a market capitalization between \$371 million and \$4 billion. Companies with NA or NM values do not appear.

InterOil Corporation (USA) has a profit margin of -1%. There is not enough data to display effective tax rate for InterOil Corporation (USA).



Annual Financial Statements

Years are Fiscal Years.
Currency in Thousands of U.S. Dollars (except per share values). Shares in Thousands.

Annual Income Statement

	2001 12 Months Dec. 31, 2001	2002 12 Months Dec. 31, 2002	2003 12 Months Dec. 31, 2003 Reclassified as of Dec. 31, 2005	2004 12 Months Dec. 31, 2004 Reclassified as of Dec. 31, 2005	2005 12 Months Dec. 31, 2005 Restated as of Dec. 31, 2006	2006 12 Months Dec. 31, 2006 Reclassified as of Dec. 31, 2008	2007 12 Months Dec. 31, 2007 Reclassified as of Dec. 31, 2008	2008 12 Months Dec. 31, 2008
Sales and Operating Revenue	NA	NA	\$0	\$70,644	\$481,181	\$511,088	\$625,526	\$915,579
Investment Income	1,060	373	247	382	1,831	3,224	2,180	932
Other Revenue	NA	11	12	196	528	3,748	2,667	3,216
Total Revenue	\$1,060	\$384	\$259	\$71,222	\$483,540	\$518,060	\$630,373	\$919,727
Cost of Sales	NA	NA	\$0	\$65,345	\$467,247	\$499,495	\$573,609	\$888,623
Administration and General Expenses	1,723	2,242	2,264	7,832	14,673	23,288	31,999	31,228
Legal and Professional	299	464	1,421	3,574	3,606	3,938	6,533	11,523
Management Fee	420	NA	(840)	0	NA	NA	NA	NA
Exploration Expense	NA	93	0	2,903	11,009	6,177	13,305	996
Depreciation	NA	NA	73	639	11,037	12,353	13,024	14,143
Short Term Borrowing Costs	NA	NA	NA	4,705	8,856	8,479	5,566	6,514
Long Term Borrowings	NA	NA	NA	1,401	6,351	11,857	17,182	17,459
Derivative (gain)/loss	NA	NA	NA	NA	NA	(2,560)	7,272	(24,039)
Gain on LNG shareholder agreement	NA	NA	NA	NA	0	0	(6,553)	0
Foreign Exchange Gain / Loss	1,942	(1,095)	679	393	797	(4,745)	(5,078)	(3,878)
Exploration Impairment	NA	NA	165	35,567	19,570	1,647	1,243	108
Loss on Indirect Participation Interest	NA	NA	NA	0	0	1,851	0	0
Gain on sale of oil and gas properties	NA	NA	NA	NA	NA	0	0	(11,235)
Total Operating Expense	\$4,384	\$1,704	\$3,762	\$122,359	\$543,146	\$561,780	\$658,102	\$931,442
Net Income Before Taxes	(\$3,324)	(\$1,320)	(\$3,503)	(\$51,137)	(\$59,606)	(\$43,720)	(\$27,729)	(\$11,715)
Provision for Income Taxes	(13)	1	37	1,875	2,832	2,343	1,207	82
Net Income After Taxes	(\$3,311)	(\$1,321)	(\$3,540)	(\$53,012)	(\$62,438)	(\$46,063)	(\$28,936)	(\$11,797)
Minority Interest	\$33	\$5	\$23	\$70	\$368	\$264	\$22	(\$1)
US GAAP	(12,371)	7,621	7,953	(22,367)	32	741	9,708	7,854
Net Income Before Extra. Items	(\$15,649)	\$6,305	\$4,436	(\$75,309)	(\$62,038)	(\$45,058)	(\$19,206)	(\$3,944)
Net Income	(\$15,649)	\$6,305	\$4,436	(\$75,309)	(\$62,038)	(\$45,058)	(\$19,206)	(\$3,944)

EPS Reconciliation

	2001	2002	2003	2004	2005	2006	2007	2008
Income Available to Com Excl ExtraOrd	(\$15,649)	\$6,305	\$4,436	(\$75,309)	(\$62,038)	(\$45,058)	(\$19,206)	(\$3,944)
Income Available to Com Incl ExtraOrd	(\$15,649)	\$6,305	\$4,436	(\$75,309)	(\$62,038)	(\$45,058)	(\$19,206)	(\$3,944)
Basic Weighted Average Shares	20,179	20,462	22,650	25,374	28,832	29,602	29,998	33,632
Basic EPS Excluding ExtraOrdinary Items	(\$0.78)	\$0.31	\$0.20	(\$2.97)	(\$2.15)	(\$1.52)	(\$0.64)	(\$0.12)
Basic EPS Including ExtraOrdinary Items	(\$0.78)	\$0.31	\$0.20	(\$2.97)	(\$2.15)	(\$1.52)	(\$0.64)	(\$0.12)
Dilution Adjustment	\$0	(\$300)	(\$200)	\$0	\$0	\$0	\$0	\$0
Diluted Net Income	(\$15,649)	\$6,005	\$4,236	(\$75,309)	(\$62,038)	(\$45,058)	(\$19,206)	(\$3,944)
Diluted Weighted Average Shares	20,179	20,462	22,650	25,374	28,832	29,602	29,998	33,632
Diluted EPS Excluding ExtraOrd Items	(\$0.78)	\$0.29	\$0.19	(\$2.97)	(\$2.15)	(\$1.52)	(\$0.64)	(\$0.12)
Diluted EPS Including ExtraOrd Items	(\$0.78)	\$0.29	\$0.19	(\$2.97)	(\$2.15)	(\$1.52)	(\$0.64)	(\$0.12)
Normalized Income Before Taxes	(\$3,324)	(\$1,320)	(\$3,338)	(\$15,570)	(\$40,036)	(\$40,222)	(\$26,486)	(\$22,842)
Inc Tax Ex Impact of Sp Items	(13)	1	95	14,323	9,682	3,567	1,642	(3,812)
Normalized Income After Taxes	(\$3,311)	(\$1,321)	(\$3,433)	(\$29,893)	(\$49,718)	(\$43,789)	(\$28,128)	(\$19,030)

Continued on next page

Annual Financial Statements

Years are Fiscal Years.

Currency in Thousands of U.S. Dollars (except per share values). Shares in Thousands.

EPS Reconciliation, continued

	2001 12 Months Dec. 31, 2001	2002 12 Months Dec. 31, 2002	2003 12 Months Dec. 31, 2003 Reclassified as of Dec. 31, 2005	2004 12 Months Dec. 31, 2004 Reclassified as of Dec. 31, 2005	2005 12 Months Dec. 31, 2005 Restated as of Dec. 31, 2006	2006 12 Months Dec. 31, 2006 Reclassified as of Dec. 31, 2008	2007 12 Months Dec. 31, 2007 Reclassified as of Dec. 31, 2008	2008 12 Months Dec. 31, 2008
Normalized Inc. Avail to Com.	(\$15,649)	\$6,305	\$4,543	(\$52,190)	(\$49,318)	(\$42,784)	(\$18,398)	(\$11,177)
Basic Normalized EPS	(\$0.78)	\$0.31	\$0.20	(\$2.06)	(\$1.71)	(\$1.45)	(\$0.61)	(\$0.33)
Diluted Normalized EPS	(\$0.78)	\$0.29	\$0.19	(\$2.06)	(\$1.71)	(\$1.45)	(\$0.61)	(\$0.33)

Income Statement Trend Graphs

Bar graphs of specific Income Statement items can be used to help in identifying volatility.

	Annual EBITD Margin (%)	EPS Diluted (Excl. Extraord.)	Net Annual Revenue	Annual Gross Margin (%)
Fiscal Year 2008	2.9	(\$0.12)	\$919,727	3.4
Fiscal Year 2007	1.3	(\$0.64)	\$630,373	9.0
Fiscal Year 2006	(2.1)	(\$1.52)	\$518,060	3.6
Fiscal Year 2005	(6.9)	(\$2.15)	\$483,540	3.4
Fiscal Year 2004	(62.3)	(\$2.97)	\$71,222	8.3
Fiscal Year 2003	NM	\$0.19	\$259	NM
Fiscal Year 2002	NM	\$0.29	\$384	NA
Fiscal Year 2001	NM	(\$0.78)	\$1,060	NA

Annual Financial Statements

Years are Fiscal Years.
Currency in Thousands of U.S. Dollars. Shares in Thousands.

Annual Balance Sheet

	2001 As of Dec. 31, 2001	2002 As of Dec. 31, 2002	2003 As of Dec. 31, 2003 Reclassified as of Dec. 31, 2005	2004 As of Dec. 31, 2004 Reclassified as of Dec. 31, 2006	2005 As of Dec. 31, 2005 Restated as of Dec. 31, 2006	2006 As of Dec. 31, 2006	2007 As of Dec. 31, 2007	2008 As of Dec. 31, 2008
Assets								
Cash and Cash Equivalents	\$667	\$3,289	\$9,216	\$28,544	\$59,602	\$31,681	\$43,862	\$48,971
Commodity Hedge Contracts	NA	NA	0	504	1,483	1,760	0	31,335
Short Term Investments	17,000	7,105	NA	NA	NA	NA	NA	NA
Trade Receivables	NA	NA	0	58,698	49,959	67,542	63,145	42,888
Due from Associates	314	0	NA	NA	NA	NA	NA	NA
Other Receivable	927	504	NA	NA	NA	NA	NA	NA
Refined Petroleum	NA	NA	NA	16,397	25,967	22,329	43,174	30,167
Refined & Marketing	NA	NA	NA	0	0	47	201	289
Refined Petroleum-Downstream	NA	NA	NA	7,548	13,101	32,422	35,626	27,025
Crude Oil	NA	NA	NA	3,972	5,020	12,795	3,588	25,556
Prepaid Expenses	53	80	489	190	638	881	5,103	4,490
Restricted Cash	NA	NA	24,821	15,497	16,452	29,302	22,002	25,994
Other Assets	NA	NA	487	806	1,011	2,955	147	168
Total Current Assets	\$18,961	\$10,978	\$35,013	\$132,156	\$173,233	\$201,714	\$216,848	\$236,883
Oil and Gas Property	\$2,096	\$2,879	\$23,018	\$6,605	\$19,739	\$54,524	\$84,865	\$128,014
Property, Plant & Equipment, Gross	NA	NA	NA	252,297	256,484	287,281	294,675	295,985
Accumulated Depreciation	NA	NA	NA	(7,934)	(19,085)	(44,639)	(61,823)	(72,399)
Plant and Equipment	47,243	48,048	201,758	NA	NA	NA	NA	NA
Project Development	28,996	71,349	NA	NA	NA	NA	NA	NA
Capitalised Borrowings	0	1,820	NA	NA	NA	NA	NA	NA
Deferred Finance Cost	NA	NA	551	1,311	1,257	1,717	0	0
Future Income Tax Assets	NA	NA	0	1,304	1,059	1,424	2,867	3,070
Cash Restricted	NA	NA	NA	102	210	3,217	382	291
Total Assets	\$97,296	\$135,074	\$260,340	\$385,841	\$432,897	\$505,238	\$537,814	\$591,844
Liabilities								
Accounts payable - crude import	NA	NA	NA	NA	NA	NA	\$0	\$25,234
Due to Associate	763	2,785	1,479	1,056	0	0	NA	NA
Accounts Payable and Accrued Liabilities	1,725	6,745	5,836	26,329	26,005	73,311	57,162	52,914
Short Term Loan Capital Facility	NA	NA	0	76,521	70,724	36,874	66,501	68,792
Unsecured Loan	NA	NA	0	0	21,453	0	0	NA
Current Portion of Secured Loan	NA	NA	9,000	9,000	9,000	13,500	136,777	9,000
Income Tax Payable	NA	NA	0	2,881	3,900	2,785	3,266	0
Commodity derivative contracts	NA	NA	NA	NA	NA	0	1,960	0
Deferred Hedge Gain	NA	NA	0	537	1,017	1	0	0
Deferred Acquisition Costs	NA	NA	0	12,123	0	0	NA	NA
Deferred Liquefaction	NA	NA	NA	0	0	6,553	0	0
Current Portion of Indirect Int PNGDV	NA	NA	NA	0	0	731	1,080	540
Forward Contract	1,703	679	NA	NA	NA	NA	NA	NA
Total Current Liabilities	\$4,191	\$10,209	\$16,315	\$128,447	\$132,099	\$133,755	\$266,746	\$156,480
Secured Loan	\$0	\$31,000	\$74,000	\$76,000	\$71,500	\$184,166	\$61,141	\$52,365
8% subordinated debenture liability	NA	NA	NA	NA	NA	NA	0	65,040
Total Long Term Debt	\$0	\$31,000	\$74,000	\$76,000	\$71,500	\$184,166	\$61,141	\$117,405
Minority Interest	\$6,496	\$6,490	\$6,467	\$6,404	\$6,023	\$5,759	\$4	\$5
Indirect Participation Interest	NA	NA	0	13,750	96,861	96,861	96,086	72,477
Indirect Participation Interest-PNGDV	NA	NA	16,600	10,609	9,686	1,191	844	844
Preference share liability	NA	NA	NA	NA	NA	0	7,797	0
Deferred gain on contributions	NA	NA	NA	NA	NA	0	9,097	17,497
Accrued Financial Costs	NA	NA	0	863	921	1,088	0	NA
Total Liabilities	\$10,687	\$47,699	\$113,382	\$236,073	\$317,090	\$422,820	\$441,715	\$364,708
Shareholder Equity								
Preference shares	NA	NA	NA	NA	NA	\$0	\$6,843	\$0
Common Stock	92,808	94,121	157,449	216,814	223,935	233,889	259,324	373,904
Paid in Capital	NA	770	540	1,842	2,934	4,377	10,337	15,622
Warrants	NA	NA	0	2,258	2,138	2,138	2,119	2,119
Conversion Options	NA	NA	0	0	20,000	20,000	19,840	17,140
Accumulated Deficit	(6,198)	(7,514)	(11,031)	(71,608)	(133,678)	(179,477)	(208,390)	(220,187)
Foreign Currency Translation Adjustment	NA	NA	0	463	477	1,493	6,025	27,698

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Annual Financial Statements

Years are Fiscal Years.
Currency in Thousands of U.S. Dollars. Shares in Thousands.

Annual Balance Sheet, continued

	2001 As of Dec. 31, 2001	2002 As of Dec. 31, 2002	2003 As of Dec. 31, 2003 Reclassified as of Dec. 31, 2005	2004 As of Dec. 31, 2004 Reclassified as of Dec. 31, 2006	2005 As of Dec. 31, 2005 Restated as of Dec. 31, 2006	2006 As of Dec. 31, 2006	2007 As of Dec. 31, 2007	2008 As of Dec. 31, 2008
8% subordinated debentures	NA	NA	NA	NA	NA	NA	0	10,837
Total Equity	\$86,610	\$87,377	\$146,958	\$149,769	\$115,806	\$82,420	\$96,098	\$227,133
Total Liabilities & Shareholders' Equity	\$97,297	\$135,076	\$260,340	\$385,842	\$432,896	\$505,240	\$537,813	\$591,841
S/O-Common Stock	20,187	20,586	24,816	28,311	29,163	29,871	31,026	35,924
Total Common Shares Outstanding	NA	20,586	24,816	28,311	29,163	29,871	31,026	35,924
S/O-Preferred Stock	NA	NA	NA	NA	NA	0	518	0
Total Preferred Shares Outstanding	NA	NA	NA	NA	NA	0	518	0

Balance Sheet Trend Graphs

Bar graphs of specific Balance Sheet items can be used to help in identifying volatility.

	Cash and Equivalents	Total Liabilities	Total Equity	Shares Outstanding
Fiscal Year 2008	\$48,971	\$364,708	\$227,133	35,924
Fiscal Year 2007	\$43,862	\$441,715	\$96,098	31,026
Fiscal Year 2006	\$31,681	\$422,820	\$82,420	29,871
Fiscal Year 2005	\$59,602	\$317,090	\$115,806	29,163
Fiscal Year 2004	\$28,544	\$236,073	\$149,769	28,311
Fiscal Year 2003	\$9,216	\$113,382	\$146,958	24,816
Fiscal Year 2002	\$3,289	\$47,699	\$87,377	20,586
Fiscal Year 2001	\$667	\$10,687	\$86,610	NA

Annual Financial Statements

Years are Fiscal Years.
Currency in Thousands of U.S. Dollars.

Annual Cash Flow Statement

	2001 12 Months Dec. 31, 2001	2002 12 Months Dec. 31, 2002 Reclassified as of Dec. 31, 2004	2003 12 Months Dec. 31, 2003 Restated as of Dec. 31, 2005	2004 12 Months Dec. 31, 2004 Reclassified as of Dec. 31, 2006	2005 12 Months Dec. 31, 2005 Reclassified as of Dec. 31, 2006	2006 12 Months Dec. 31, 2006	2007 12 Months Dec. 31, 2007 Reclassified as of Dec. 31, 2008	2008 12 Months Dec. 31, 2008
Cash From (Used By) Operations								
Net Income	(\$3,279)	(\$1,316)	(\$3,518)	(\$52,940)	(\$62,070)	(\$45,799)	(\$28,913)	(\$11,797)
Depreciation	NA	86	73	639	11,037	12,353	13,024	14,143
Future Income Tax Benefit	NA	0	0	(663)	245	1,333	(1,601)	(203)
Gain on Sale of Other Assets	NA	0	0	(94)	0	0	269	(16)
Gain on Sale of Exploration Assets	NA	NA	NA	NA	NA	NA	0	(11,235)
Sale of Plant and Equipment	NA	NA	NA	0	(95)	264	NA	NA
Impairment of Assets	NA	NA	NA	0	0	756	960	0
Interest Expense Forfeited	NA	0	0	998	0	0	NA	NA
Unsettled Hedge Contracts	NA	NA	NA	34	119	(72)	(47)	852
Management Waived Fees	NA	0	(840)	NA	NA	NA	NA	NA
Non-Controlling Interest	(33)	(5)	(23)	(70)	(381)	(264)	(22)	1
Fair value adjustment	NA	NA	NA	0	NA	NA	(368)	0
Amortization of Discount on Debt	NA	0	0	604	161	29	0	0
Amortization of discount on debentures I	NA	NA	NA	NA	NA	NA	0	1,916
Anortization of Deferred Financing Cost	NA	0	0	269	155	219	422	260
Debt Conversion	NA	0	0	78	0	0	NA	NA
Gain on Derivative Contracts	NA	NA	0	0	(585)	(1,221)	3,766	(17,034)
Stock Compensation Expense	NA	612	(40)	1,210	1,669	1,976	6,063	5,741
Inventory Revaluation	NA	NA	NA	1,508	355	0	0	8,380
Non Cash Interest	NA	NA	NA	0	0	2,926	6,144	2,190
Oil and Gas Expense	NA	93	165	38,470	30,580	7,824	14,548	1,103
Non-cash interest settlement on preferen	NA	NA	NA	NA	NA	NA	0	373
Non-cash interest settlement on debentur	NA	NA	NA	NA	NA	NA	0	2,621
Loss on Indirect Participation Interest	NA	NA	NA	0	0	1,851	0	0
Gain on LNG shareholder agreement	NA	NA	NA	NA	NA	NA	(6,553)	0
Preference share transaction costs	NA	NA	NA	NA	0	0	390	0
Gain on buy back of minority interest	NA	NA	NA	NA	0	0	(394)	0
Loss on proportionate consolidation	NA	NA	NA	NA	0	0	2,375	(812)
Unrealized Foreign Exchange Loss	NA	(1,773)	679	393	797	(4,745)	(5,078)	(3,729)
Commodity Derivative Contracts	NA	NA	NA	0	(34)	0	NA	NA
Hedge Loss	NA	679	0	NA	NA	NA	0	900
Trade Receivables	NA	0	0	(49,224)	8,752	(6,663)	6,662	18,684
Inventories	NA	0	0	(23,241)	(16,515)	2,642	(6,033)	(3,190)
Other Assets and Prepaid	NA	710	220	982	(653)	4	(2,699)	592
Accounts Payable	NA	(1,433)	(236)	4,184	3,753	28,773	NA	NA
Accounts payable & accrued liab.	NA	NA	NA	NA	NA	NA	(34,534)	5,847
Working Capital	2,316	NA	NA	NA	NA	NA	NA	NA
Cash from Operating Activities	(\$996)	(\$2,347)	(\$3,520)	(\$76,863)	(\$22,710)	\$2,186	(\$31,619)	\$15,587
Plus: Cash From (Used By) Investment Activities								
Expenditure on Oil&Gas								
Prop. -Indirect	NA	NA	\$0	(\$22,057)	(\$43,024)	(\$47,991)	(\$69,090)	(\$63,891)
Capital Expenditure	(7,581)	(42,372)	(81,844)	(38,948)	(5,575)	(13,586)	(7,289)	(5,172)
Expenditure on Oil and Gas Properties	(601)	(875)	(19,988)	NA	NA	NA	NA	NA
Proceeds on Sale of Plant and Equipment	NA	0	0	405	112	3,770	65	313
Sale of Asset	NA	NA	NA	4,632	0	(25,821)	(3,327)	0
Proceeds received on sale of exploration	NA	NA	NA	NA	NA	NA	0	6,500
Short Term Investments	0	9,894	(17,618)	24,724	0	0	NA	NA
Proceeds from IPI cash calls	NA	NA	NA	NA	0	0	21,783	18,323
Proceeds from insurance claim	NA	NA	NA	NA	0	0	7,000	0
Repayment of Business Combination financ	NA	NA	0	0	(12,227)	0	NA	NA
Restricted Cash	NA	NA	(97)	(15,502)	(1,063)	(15,857)	10,135	(3,901)
Accounts Payable	NA	4,749	(1,352)	4,095	(3,166)	2,413	6,353	437
Refundable Deposit	2,100	NA	NA	NA	NA	NA	NA	NA
Cash from Investing Activities	(\$6,082)	(\$28,604)	(\$120,899)	(\$42,651)	(\$64,943)	(\$97,072)	(\$34,370)	(\$47,391)
Plus: Cash From (Used By) Financing Activities								

Continued on next page

Annual Financial Statements

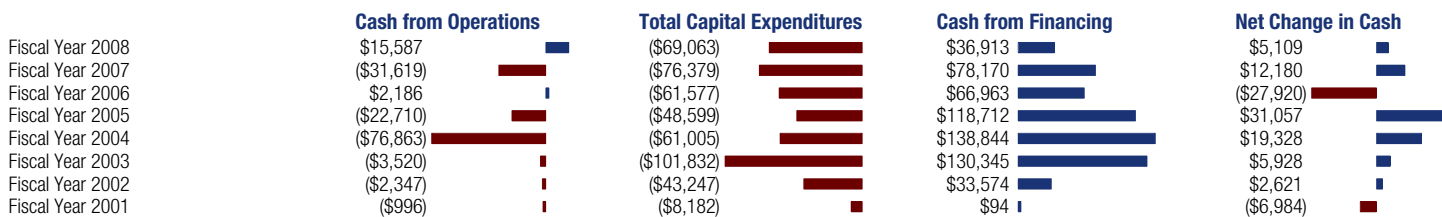
Years are Fiscal Years.
Currency in Thousands of U.S. Dollars.

Annual Cash Flow Statement, continued

	2001 12 Months Dec. 31, 2001	2002 12 Months Dec. 31, 2002 Reclassified as of Dec. 31, 2004	2003 12 Months Dec. 31, 2003 Restated as of Dec. 31, 2005	2004 12 Months Dec. 31, 2004 Reclassified as of Dec. 31, 2006	2005 12 Months Dec. 31, 2005 Reclassified as of Dec. 31, 2006	2006 12 Months Dec. 31, 2006	2007 12 Months Dec. 31, 2007 Reclassified as of Dec. 31, 2008	2008 12 Months Dec. 31, 2008
Proceeds-Indirect Participation Interest	NA	\$0	NA	\$13,750	\$103,111	\$0	\$0	(\$70,000)
Financing fees related to bridging facil	NA	NA	NA	NA	0	0	(100)	0
Payments for deferred financing fees	NA	NA	NA	NA	0	0	(363)	0
Repayment of Working Capital	NA	0	0	76,521	(5,796)	(33,851)	29,628	2,291
Proceeds from Clarion Finanz	NA	NA	NA	NA	0	0	5,923	5,500
Proceeds from Petromin for Elk participa	NA	NA	NA	NA	NA	NA	0	4,000
Net Advances from/to Related Parties	NA	2,900	0	NA	NA	NA	NA	NA
Issue Common Stock	94	1,312	62,822	2,020	5,500	1,474	23,816	NA
Payments for Common Stock	NA	NA	NA	NA	NA	NA	NA	(105)
Proceeds from preference shares	NA	NA	NA	NA	0	0	14,250	0
Conversion Options	NA	NA	16,300	3,235	0	0	NA	NA
Proceeds from conversion of warrants	NA	NA	NA	NA	0	0	66	0
Related Party Borrowings	NA	NA	NA	1,776	0	0	NA	NA
Proceeds Short Term Borrowings	NA	0	0	5,100	21,453	0	NA	NA
Repayment to Related Parties	NA	(878)	(777)	(2,198)	(1,056)	0	NA	NA
Repayment Short Term Debt	NA	0	0	(5,100)	0	(21,453)	NA	NA
Issue LT Debt	NA	30,240	52,000	2,000	0	125,293	NA	NA
Proceeds from Convertible Debentures	NA	0	0	41,740	0	0	0	94,780
Proceeds from PNG LNG cash call	NA	NA	NA	NA	0	0	9,450	9,447
Repayments of Secured Loan	NA	NA	NA	0	(4,500)	(4,500)	(4,500)	(9,000)
Cash from Financing Activities	\$94	\$33,574	\$130,345	\$138,844	\$118,712	\$66,963	\$78,170	\$36,913
Equals: Increase (Decrease) In Cash								
Net Change in Cash	(\$6,984)	\$2,621	\$5,928	\$19,328	\$31,057	(\$27,920)	\$12,180	\$5,109
Net Cash - Beginning Balance	\$7,652	\$667	\$3,289	\$9,216	\$28,544	\$59,602	\$31,681	\$43,862
Net Cash - Ending Balance	NA	3,289	9,216	28,544	59,602	31,681	43,862	48,971
Cash Interest Paid	NA	1,948	4,138	1,444	13,374	8,549	16,934	10,705
Cash Taxes Paid	NA	3	65	1,914	1,657	2,306	2,344	6,738

Cash Flow Trend Graphs

Bar graphs of specific Cash Flow items can be used to help in identifying volatility.



Quarterly Financial Statements

Years are Fiscal Years.
Currency in Thousands of U.S. Dollars (except per share values). Shares in Thousands.

Quarterly Income Statement

	Q2 2007 3 Months Jun. 30, 2007 Reclassified as of Jun. 30, 2008	Q3 2007 3 Months Sept. 30, 2007	Q4 2007 3 Months Dec. 31, 2007 Reclassified as of Dec. 31, 2008	Q1 2008 3 Months Mar. 31, 2008	Q2 2008 3 Months Jun. 30, 2008	Q3 2008 3 Months Sept. 30, 2008	Q4 2008 3 Months Dec. 31, 2008	Q1 2009 3 Months Mar. 31, 2009
Sales and Operating Revenue	\$139,321	\$188,365	\$171,922	\$191,372	\$243,657	\$262,371	\$218,179	\$160,841
Interest	545	501	446	317	440	460	(285)	76
Other Revenue	673	1,239	465	725	916	900	675	746
Total Revenue	\$140,539	\$190,105	\$172,833	\$192,414	\$245,013	\$263,731	\$218,569	\$161,663
Cost of Sales	\$128,404	\$180,365	\$151,366	\$176,984	\$206,214	\$248,198	\$257,227	\$136,411
Administration and General Expenses	7,502	11,783	7,478	6,931	20,163	(2,859)	6,993	7,163
Legal and Professional	1,269	2,289	2,230	2,107	3,849	2,322	3,245	1,241
Exploration Expense	4,518	4,232	1,233	(237)	83	75	1,075	216
Depreciation and Amortization	3,619	2,959	2,986	3,485	3,440	3,573	3,645	3,381
Short Term Borrowing Costs	3,037	4,546	NA	1,557	1,937	1,474	1,546	1,065
Long Term Borrowings	2,349	1,441	6,353	4,401	4,083	3,703	5,272	3,571
Derivative (gain)/loss	NA	NA	7,272	NA	NA	NA	(24,039)	(1,277)
Foreign Exchange Gain / Loss	(692)	(2,011)	(2,839)	(1,300)	(3,484)	(1,031)	1,937	6,390
Exploration Impairment	6	505	718	24	(14)	72	26	0
Loss on Proportionate of LNG Project	NA	2,433	(2,433)	NA	NA	NA	NA	NA
Gain on LNG shareholders Agreement	(6,553)	0	0	NA	0	0	0	NA
Gain on Sale of Oil & Gas Property Asset	0	0	0	NA	(10,246)	(990)	1	NA
Total Operating Expense	\$143,459	\$208,542	\$174,364	\$193,952	\$226,025	\$254,537	\$256,928	\$158,161
Net Income Before Taxes	(\$2,920)	(\$18,437)	(\$1,531)	(\$1,538)	\$18,988	\$9,194	(\$38,359)	\$3,502
Provision for Income Taxes	47	(473)	1,136	858	3,383	(37)	(4,122)	857
Net Income After Taxes	(\$2,967)	(\$17,964)	(\$2,667)	(\$2,396)	\$15,605	\$9,231	(\$34,237)	\$2,645
Minority Interest	\$12	\$72	(\$45)	\$0	(\$2)	(\$3)	\$4	(\$2)
Net Income Before Extra. Items	(\$2,955)	(\$17,892)	(\$2,712)	(\$2,396)	\$15,603	\$9,228	(\$34,233)	\$2,643
Net Income	(\$2,955)	(\$17,892)	(\$2,712)	(\$2,396)	\$15,603	\$9,228	(\$34,233)	\$2,643

EPS Reconciliation

	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Income Available to Com Excl ExtraOrd	(\$2,955)	(\$17,892)	(\$2,712)	(\$2,396)	\$15,603	\$9,228	(\$34,233)	\$2,643
Income Available to Com Incl ExtraOrd	(\$2,955)	(\$17,892)	(\$2,712)	(\$2,396)	\$15,603	\$9,228	(\$34,233)	\$2,643
Basic Weighted Average Shares	29,907	29,923	30,266	31,026	32,506	35,057	35,940	35,781
Basic EPS Excluding ExtraOrdinary Items	(\$0.10)	(\$0.60)	(\$0.09)	(\$0.08)	\$0.48	\$0.26	(\$0.95)	\$0.07
Basic EPS Including ExtraOrdinary Items	(\$0.10)	(\$0.60)	(\$0.09)	(\$0.08)	\$0.48	\$0.26	(\$0.95)	\$0.07
Diluted Net Income	(\$2,955)	(\$17,892)	(\$2,712)	(\$2,396)	\$15,603	\$9,228	(\$34,233)	\$2,643
Diluted Weighted Average Shares	29,907	29,923	30,266	31,026	38,630	41,400	35,940	36,013
Diluted EPS Excluding ExtraOrd Items	(\$0.10)	(\$0.60)	(\$0.09)	(\$0.08)	\$0.40	\$0.22	(\$0.95)	\$0.07
Diluted EPS Including ExtraOrd Items	(\$0.10)	(\$0.60)	(\$0.09)	(\$0.08)	\$0.40	\$0.22	(\$0.95)	\$0.07
Normalized Income Before Taxes	(\$9,467)	(\$15,499)	(\$3,246)	(\$1,514)	\$8,728	\$8,276	(\$38,332)	\$3,502
Inc Tax Ex Impact of Sp Items	(2,244)	555	536	866	1,555	(358)	(4,113)	857
Normalized Income After Taxes	(\$7,223)	(\$16,054)	(\$3,782)	(\$2,380)	\$7,173	\$8,634	(\$34,219)	\$2,645
Normalized Inc. Avail to Com.	(\$7,211)	(\$15,982)	(\$3,827)	(\$2,380)	\$7,171	\$8,631	(\$34,215)	\$2,643

Continued on next page

Quarterly Financial Statements

Years are Fiscal Years.

Currency in Thousands of U.S. Dollars (except per share values). Shares in Thousands.

EPS Reconciliation, continued

	Q2 2007 3 Months Jun. 30, 2007 Reclassified as of Jun. 30, 2008	Q3 2007 3 Months Sept. 30, 2007	Q4 2007 3 Months Dec. 31, 2007 Reclassified as of Dec. 31, 2008	Q1 2008 3 Months Mar. 31, 2008	Q2 2008 3 Months Jun. 30, 2008	Q3 2008 3 Months Sept. 30, 2008	Q4 2008 3 Months Dec. 31, 2008	Q1 2009 3 Months Mar. 31, 2009
Basic Normalized EPS	(\$0.24)	(\$0.53)	(\$0.13)	(\$0.08)	\$0.22	\$0.25	(\$0.95)	\$0.07
Diluted Normalized EPS	(\$0.24)	(\$0.53)	(\$0.13)	(\$0.08)	\$0.19	\$0.21	(\$0.95)	\$0.07

Income Statement Trend Graphs

Bar graphs of specific Income Statement items can be used to help in identifying volatility.

	Quarterly EBITD Margin (%)	EPS Diluted (Excl. Extraord.)	Net Quarterly Revenue	Quarterly Gross Margin (%)
First Quarter 2009	7.1	\$0.07	\$161,663	15.6
Fourth Quarter 2008	(12.8)	(\$0.95)	\$218,569	(17.7)
Third Quarter 2008	6.8	\$0.22	\$263,731	5.9
Second Quarter 2008	11.6	\$0.40	\$245,013	15.8
First Quarter 2008	4.1	(\$0.08)	\$192,414	8.0
Fourth Quarter 2007	4.8	(\$0.09)	\$172,833	12.4
Third Quarter 2007	(5.0)	(\$0.60)	\$190,105	5.1
Second Quarter 2007	4.0	(\$0.10)	\$140,539	8.6

Quarterly Financial Statements

Years are Fiscal Years.
Currency in Thousands of U.S. Dollars. Shares in Thousands.

Quarterly Balance Sheet

	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
	As of Jun. 30, 2007	As of Sept. 30, 2007	As of Dec. 31, 2007	As of Mar. 31, 2008	As of Jun. 30, 2008	As of Sept. 30, 2008	As of Dec. 31, 2008	As of Mar. 31, 2009
Assets								
Cash and Cash Equivalents	\$22,406	\$11,929	\$43,862	\$17,089	\$28,811	\$46,966	\$48,971	\$42,644
Commodity Hedge Contracts	0	0	0	NA	NA	11,891	31,335	0
Trade Receivables	57,535	54,530	63,145	84,102	127,616	74,473	42,888	41,437
Refined Petroleum	54,923	30,036	43,174	58,176	22,615	81,810	30,167	31,515
Refined & Marketing	203	274	201	299	291	285	289	247
Refined Petroleum-Downstream	38,311	41,827	35,626	53,112	44,667	34,533	27,025	31,733
Crude Oil	22,610	53,133	3,588	20,730	7,307	76,272	25,556	10,175
Prepaid Expenses	522	3,964	5,103	1,502	5,423	654	4,490	2,138
Restricted Cash	20,056	26,673	22,002	20,020	26,016	31,442	25,994	17,100
Other Assets	373	2,932	147	1,093	225	2,710	168	1,499
Total Current Assets	\$216,939	\$225,298	\$216,848	\$256,123	\$262,971	\$361,036	\$236,883	\$178,488
Plant and Equipment, Gross	\$291,725	\$294,343	\$294,675	\$294,523	\$297,397	\$299,292	\$295,985	\$293,064
Oil and Gas Property	61,849	71,206	84,865	96,667	102,072	118,588	128,014	145,769
Accumulated Depreciation	(53,064)	(56,672)	(61,823)	(64,448)	(69,195)	(73,348)	(72,399)	(73,134)
Goodwill	NA	NA	NA	NA	NA	NA	NA	5,762
Future Income Tax Assets	1,584	2,252	2,867	2,896	2,820	2,887	3,070	2,741
Restricted Cash	1,216	1,230	382	345	362	326	291	282
Total Assets	\$520,249	\$537,657	\$537,814	\$586,106	\$596,427	\$708,781	\$591,844	\$552,971
Liabilities								
Accounts payable - crude import	NA	NA	\$0	NA	NA	NA	\$25,234	\$0
Accounts Payable and Accrued Liabilities	106,679	129,850	57,162	138,716	67,161	158,099	52,914	64,173
Short Term Loan Capital Facility	29,522	27,948	66,501	33,025	74,059	80,002	68,792	43,321
Current Portion of Secured Loan	142,617	144,187	136,777	8,992	9,000	9,000	9,000	9,000
Income Tax Payable	2,324	2,776	3,266	NA	NA	2,836	0	NA
Commodity Derivative Contract	47	563	1,960	1,690	11,847	0	0	265
Indirect Participation Interest	1,518	581	1,080	541	540	540	540	540
Total Current Liabilities	\$282,707	\$305,905	\$266,746	\$182,964	\$162,607	\$250,477	\$156,480	\$117,299
Secured Loan	\$56,529	\$56,585	\$61,141	\$190,592	\$56,753	\$56,809	\$52,365	\$52,421
8% Subordinated Debenture Liability	0	0	0	NA	76,516	65,156	65,040	65,768
Total Long Term Debt	\$56,529	\$56,585	\$61,141	\$190,592	\$133,269	\$121,965	\$117,405	\$118,189
Minority Interest	\$5,765	\$5,693	\$4	\$4	\$6	\$9	\$5	\$7
Accrued Financial Costs	363	0	0	0	0	NA	0	NA
Indirect Participation Interest	96,086	96,086	96,086	96,086	87,878	72,813	72,477	72,472
Deferred Gain on Contribution to LNG	NA	8,910	9,097	12,204	12,204	17,497	17,497	13,076
Indirect Participation Interest-PNGDV	406	1,344	844	843	844	844	844	844
Preference share liability	NA	NA	7,797	7,797	7,797	0	0	NA
Total Liabilities	\$441,856	\$474,523	\$441,715	\$490,490	\$404,605	\$463,605	\$364,708	\$321,887
Shareholder Equity								
Preference share	NA	\$0	\$6,843	\$6,843	\$6,843	\$0	\$0	NA
Common Stock	235,328	235,328	259,324	259,324	324,856	370,305	373,904	386,425
Paid in Capital	7,159	9,148	10,337	11,043	12,512	13,706	15,622	16,645
Warrants	2,119	2,119	2,119	2,119	2,119	2,119	2,119	2,119
Conversion Options	19,840	19,840	19,840	19,840	19,840	17,140	17,140	17,140
Accumulated Deficit	(187,785)	(205,677)	(208,390)	(210,787)	(195,185)	(185,957)	(220,187)	(217,543)
Foreign Currency Translation Adjustment	1,731	2,375	6,025	7,234	7,801	16,885	27,698	15,461
8% Subordinated Debenture	0	0	0	NA	13,036	10,978	10,837	10,837
Total Equity	\$78,392	\$63,133	\$96,098	\$95,616	\$191,822	\$245,176	\$227,133	\$231,084
Total Liabilities & Shareholders' Equity	\$520,248	\$537,656	\$537,813	\$586,106	\$596,427	\$708,781	\$591,841	\$552,971
S/O-Common Stock	29,923	29,923	31,026	31,026	34,000	35,624	35,924	36,637
Total Common Shares Outstanding	29,923	29,923	31,026	31,026	34,000	35,624	35,924	36,637
S/O-Preferred Stock	NA	NA	518	518	518	0	0	NA
Total Preferred Shares Outstanding	NA	NA	518	518	518	0	0	NA

Trend Graphs on next page

Quarterly Financial Statements

Years are Fiscal Years.
Currency in Thousands of U.S. Dollars. Shares in Thousands.

Balance Sheet Trend Graphs

Bar graphs of specific Balance Sheet items can be used to help in identifying volatility.

	Cash and Equivalents	Total Liabilities	Total Equity	Shares Outstanding
First Quarter 2009	\$42,644	\$321,887	\$231,084	36,637
Fourth Quarter 2008	\$48,971	\$364,708	\$227,133	35,924
Third Quarter 2008	\$46,966	\$463,605	\$245,176	35,624
Second Quarter 2008	\$28,811	\$404,605	\$191,822	34,000
First Quarter 2008	\$17,089	\$490,490	\$95,616	31,026
Fourth Quarter 2007	\$43,862	\$441,715	\$96,098	31,026
Third Quarter 2007	\$11,929	\$474,523	\$63,133	29,923
Second Quarter 2007	\$22,406	\$441,856	\$78,392	29,923

Quarterly Financial Statements

Years are Fiscal Years.
Currency in Thousands of U.S. Dollars.

Quarterly Cash Flow Statement

	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
	6 Months	9 Months	12 Months	3 Months	6 Months	9 Months	12 Months	3 Months
	Jun. 30, 2007	Sept. 30, 2007	Dec. 31, 2007	Mar. 31, 2008	Jun. 30, 2008	Sept. 30, 2008	Dec. 31, 2008	Mar. 31, 2009
	Reclassified as of	Reclassified as of	Reclassified as of	Reclassified as of				
	Jun. 30, 2008	Sept. 30, 2008	Dec. 31, 2008	Mar. 31, 2009				
Cash From (Used By) Operations								
Net Income	(\$8,308)	(\$26,200)	(\$28,913)	(\$2,397)	\$13,205	\$22,433	(\$11,797)	\$2,643
Depreciation	7,079	10,038	13,024	3,485	6,924	10,498	14,143	3,381
Future Income Tax Benefit	(317)	(985)	(1,601)	(28)	48	(20)	(203)	329
Loss on Sale of Plant & Equipment	0	2	269	(16)	(16)	(16)	(16)	0
Gain on sale of exploration assets	0	0	0	NA	(10,246)	(11,235)	(11,235)	NA
Impairment of Plant & Equipment	0	NA	960	NA	NA	NA	0	NA
Gain on unsettled hedge contracts	NA	NA	NA	0	NA	NA	NA	75
Increase in unrealised hedge gains	NA	NA	NA	0	NA	NA	NA	10,277
Non-Controlling Interest	5	(67)	(22)	0	2	5	1	2
Amortization of discount on debentures I	NA	NA	NA	0	NA	NA	NA	728
Amortization of Discount on Debt	0	0	0	NA	473	1,194	0	NA
Amortization of discount on debentures I	NA	NA	0	NA	NA	NA	1,916	NA
Amortization of Deferred Financing Cost	211	316	422	84	148	204	260	56
Effective Hedge Gain	(47)	(912)	(47)	NA	(155)	285	852	NA
Gain on Derivative Contracts	1,852	3,232	3,766	(270)	6,555	(10,662)	(17,034)	15,339
Stock Compensation Expense	2,885	4,874	6,063	705	2,241	3,826	5,741	1,424
Inventories Revaluation	1,411	0	0	0	0	11,752	8,380	206
Oil & Gas Properties Expense	7,860	12,597	14,548	(212)	(143)	4	1,103	216
Unrealized Foreign Exchange Loss	(228)	(2,240)	NA	(1,300)	(4,784)	(5,803)	NA	(1,933)
Non-cash interest on secured loan facilities	NA	NA	6,144	NA	NA	NA	2,190	NA
Non-cash interest on preference shares	0	0	0	NA	186	373	373	NA
Non Cash Interest	3,034	4,579	0	1,584	2,190	2,190	2,621	0
Loss on Consolidation of LNG Project	NA	2,433	NA	NA	NA	(812)	NA	NA
Gain on proportionate consolidation	NA	NA	NA	NA	(237)	NA	NA	NA
Gain on LNG shareholders Agreement	(6,553)	(6,553)	(6,553)	(237)	0	0	0	724
Preference share transaction costs	NA	NA	390	NA	NA	NA	0	NA
Gain on buy back of minority interest	NA	NA	(394)	NA	NA	NA	0	NA
Fair value adjustment on IPL PNG	(368)	(368)	(368)	NA	0	0	0	NA
Loss on proportionate consolidation of L	NA	NA	2,375	NA	NA	NA	(812)	NA
Foreign Currency Translation Adjustment	NA	NA	(5,078)	NA	NA	NA	(3,729)	NA
Hedge Loss	NA	NA	0	NA	NA	NA	900	NA
Trade Receivables	14,309	10,901	6,662	(24,271)	(58,665)	(7,626)	18,684	(1,815)
Inventories	(48,764)	(53,889)	(6,033)	(47,327)	17,072	(111,383)	(3,190)	6,714
Other Assets and Prepaid	2,941	(4,345)	(2,699)	2,654	(398)	4,350	592	1,021
Accounts Payable	22,886	26,805	NA	77,652	(62)	67,420	NA	(25,769)
Accounts Payable/Accrued	NA	NA	(34,534)	NA	NA	NA	5,847	NA
Cash from Operating Activities	(\$112)	(\$19,782)	(\$31,619)	\$10,106	(\$25,662)	(\$23,023)	\$15,587	\$13,618
Plus: Cash From (Used By) Investment Activities								
Expenditure on Oil and Gas Properties	(\$28,398)	(\$48,678)	(\$69,090)	(\$14,727)	(\$29,067)	(\$48,533)	(\$63,891)	(\$23,621)
Capital Expenditure	(1,664)	(3,635)	(7,289)	(1,004)	(2,570)	(3,886)	(5,172)	NA
Acquisition of Inter Oil Products Ltd.	(2,679)	(2,679)	(3,327)	0	0	0	0	NA
Proceeds on Sale of Plant and Equipment	0	0	65	NA	313	313	313	NA
Proceeds from Sale of Exploration Assets	NA	0	0	NA	NA	6,500	6,500	NA
Expenditure on Oil&Gas Prop.-Indirect	NA	NA	NA	540	NA	NA	NA	NA
Proceeds from IPI cash calls	9,866	19,356	21,783	4,340	4,340	17,702	18,323	1,972
Capital Expenditure Allocation of Oil & Gas properties	NA	NA	NA	NA	NA	NA	NA	275
Expen	NA	3	NA	NA	NA	0	NA	NA
Proceeds From insurance claim	NA	7,000	7,000	NA	NA	0	0	NA
Restricted Cash	11,248	4,617	10,135	2,020	(3,994)	(9,383)	(3,901)	8,903
Accounts Payable/Accrued Liabilities	459	18,526	6,353	2,490	4,673	18,258	437	5,148
Proceeds received on sale of exploration	0	NA	NA	NA	1,500	NA	NA	NA

Continued on next page

Quarterly Financial Statements

Years are Fiscal Years.
Currency in Thousands of U.S. Dollars.

Quarterly Cash Flow Statement, continued

	Q2 2007 6 Months Jun. 30, 2007 Reclassified as of Jun. 30, 2008	Q3 2007 9 Months Sept. 30, 2007 Reclassified as of Sept. 30, 2008	Q4 2007 12 Months Dec. 31, 2007 Reclassified as of Dec. 31, 2008	Q1 2008 3 Months Mar. 31, 2008 Reclassified as of Mar. 31, 2009	Q2 2008 6 Months Jun. 30, 2008	Q3 2008 9 Months Sept. 30, 2008	Q4 2008 12 Months Dec. 31, 2008	Q1 2009 3 Months Mar. 31, 2009
Sale of Other Assets	0	NA	NA	313	NA	NA	NA	0
Cash from Investing Activities	(\$11,168)	(\$5,490)	(\$34,370)	(\$6,028)	(\$24,805)	(\$19,029)	(\$47,391)	(\$7,323)
Plus: Cash From (Used By) Financing Activities								
Repayments of Bridging Facility	\$0	\$0	\$0	NA	(\$70,000)	(\$70,000)	(\$70,000)	NA
Financing fees related to bridging facil	(100)	(100)	(100)	NA	0	0	0	NA
Proceeds from PNG LNG cash call	4,077	6,664	9,450	2,627	3,502	6,983	9,447	0
Proceeds from Clarion Finanz for Elk opt	NA	NA	NA	0	NA	NA	NA	3,577
Proceeds from Petromin for Elk participa	NA	NA	NA	0	NA	NA	NA	3,435
Financing Costs-Conversion Options	NA	7,500	NA	NA	NA	4,500	NA	NA
Repayment of Working Capital issue of common shares/conversion of deb	(7,351)	(8,925)	29,628	(33,476)	7,557	13,501	2,291	(25,472)
Deferred Financing Costs	NA	NA	NA	NA	(421)	NA	NA	NA
Proceeds from Petromin for Elk participa	NA	NA	(363)	NA	NA	NA	0	NA
Proceeds from Clarion Finanz for Elk opt	NA	NA	0	NA	NA	NA	4,000	NA
Proceeds from Clarion Finanz for Elk opt	NA	NA	5,923	NA	4,500	NA	5,500	NA
Issue Common Stock	316	316	23,816	NA	NA	NA	NA	5,837
Payments for Common Stock	NA	NA	NA	NA	NA	(105)	(105)	NA
Proceeds from preference shares	NA	NA	14,250	NA	NA	NA	0	NA
Conversion Options	5,000	NA	NA	NA	NA	NA	NA	NA
Conversion Warrants	66	66	66	0	0	0	0	NA
Proceeds from Debenture Issue	NA	0	0	NA	94,780	94,780	94,780	NA
Repayments of Secured Loan	0	0	(4,500)	NA	(4,500)	(4,500)	(9,000)	NA
Cash from Financing Activities	\$2,008	\$5,521	\$78,170	(\$30,849)	\$35,418	\$45,159	\$36,913	(\$12,623)
Equals: Increase (Decrease) In Cash								
Net Change in Cash	(\$9,275)	(\$19,753)	\$12,180	(\$26,773)	(\$15,051)	\$3,104	\$5,109	(\$6,326)
Net Cash - Beginning Balance	\$31,681	\$31,681	\$31,681	\$43,862	\$43,862	\$43,862	\$43,862	\$48,971
Net Cash - Ending Balance	22,406	11,929	43,862	17,089	28,811	46,966	48,971	42,644
Cash Interest Paid	4,159	11,809	16,934	2,099	5,960	6,427	10,705	185
Cash Taxes Paid	27	42	2,344	48	2,074	4,384	6,738	138

Cash Flow Trend Graphs

Bar graphs of specific Cash Flow items can be used to help in identifying volatility.

	Cash from Operations	Total Capital Expenditures	Cash from Financing	Net Change in Cash
First Quarter 2009 (3 Months)	\$13,618	(\$23,621)	(\$12,623)	(\$6,326)
Fourth Quarter 2008 (12 Months)	\$15,587	(\$69,063)	\$36,913	\$5,109
Third Quarter 2008 (9 Months)	(\$23,023)	(\$52,419)	\$45,159	\$3,104
Second Quarter 2008 (6 Months)	(\$25,662)	(\$31,637)	\$35,418	(\$15,051)
First Quarter 2008 (3 Months)	\$10,106	(\$15,731)	(\$30,849)	(\$26,773)
Fourth Quarter 2007 (12 Months)	(\$31,619)	(\$76,379)	\$78,170	\$12,180
Third Quarter 2007 (9 Months)	(\$19,782)	(\$52,313)	\$5,521	(\$19,753)
Second Quarter 2007 (6 Months)	(\$112)	(\$30,062)	\$2,008	(\$9,275)