

PROSPECTUS



This prospectus has been prepared in conjunction with (i) the proposed arrangement involving International Petroleum Corporation (“**IPC**” or the “**Corporation**”, whereby references to IPC or the Corporation include the IPC Subsidiaries where the context requires, however, the “**Group**” always means IPC (as parent company) and its subsidiaries) and BlackPearl Resources Inc. (“**BlackPearl**”) and (ii) the issuance of new IPC common shares (the “**Common Shares**” or “**IPC Shares**”) and admission of trading of the new Common Shares on the regulated market operated by Nasdaq Stockholm (“**Nasdaq Stockholm**”). The prospectus may not be distributed, directly or indirectly, in any other country where such distribution requires additional registration or other measures than those provided for under Swedish law or that contravene applicable regulations in such country.

This prospectus has been prepared in accordance with the provisions of the Swedish Financial Instruments Trading Act (1991:980) and European Commission Regulation (EC) No 809/2004 implementing Directive 2003/71/EC of the European Parliament and the Council. The prospectus has been approved and registered by the Swedish Financial Supervisory Authority in accordance with the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (1991:980). Approval and registration of the prospectus does not imply a guarantee by the Swedish Financial Supervisory Authority that the facts presented in the prospectus are correct or complete.

The Common Shares are traded on the Toronto Stock Exchange (the “**TSX**”) and on Nasdaq Stockholm.

An investment in the Common Shares is subject to certain risks that should be considered by investors. In particular, the Corporation’s business is subject to the risks normally encountered by a company in the oil and gas exploration, production and infrastructure business. See “Risk Factors”.

In this prospectus, unless otherwise specified or the context otherwise requires, all references to “**Canadian dollars**”, “**CAD**” and “**C\$**” are to Canadian dollars, all references to “**U.S. dollars**”, “**USD**” and “**\$**” are to United States dollars and all references to “**Swedish krona**” and “**SEK**” are to Swedish krona. Certain amounts and percentages stated in this prospectus have been rounded off and may therefore not add up correctly. Other than what is expressly stated herein, no information in this prospectus has been examined or audited by the Corporation’s auditors.

No person has been authorized to give any information or to make any representation not contained in this prospectus and, if given or made, such information or representation not contained herein must not be relied upon as having been authorized by the Corporation. In the event of any material changes to the prospectus during the period from the date of the announcement of the prospectus to the first day of trading of the new Common Shares on Nasdaq Stockholm, such changes will be announced pursuant to the rules in the Swedish Financial Instruments Trading Act (1991:980), which governs the publication of the prospectus supplements.

Any dispute concerning or relating to this prospectus shall be resolved in accordance with Swedish law and exclusively by a Swedish court of law. The prospectus is available in paper form at IPC’s head office and in electronic form on IPC’s website, www.international-petroleum.com, as well as on the website of the Swedish Financial Supervisory Authority (the “**SFSA**”), www.fi.se.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus constitute forward-looking information. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “forecast”, “estimate”, “expect”, “seek”, “anticipate”, “plan”, “continue”, “project”, “predict”, “intend”, “objectives”, “strategies”, “potential”, “target”, “guidance”, “may”, “will”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this prospectus should not be unduly relied upon.

Although the forward-looking statements contained in this prospectus are based upon assumptions that the Corporation believes to be reasonable, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this prospectus, the Corporation has made assumptions regarding, among other things: that the Corporation will conduct its operations in a manner consistent with its expectations; future commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future currency exchange and interest rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; the continuance of existing tax and regulatory regimes; future operating costs; availability of future sources of funding; the Corporation’s ability to conclude new transactions, including financings and acquisitions, in a satisfactory manner; and the availability of debt and/or equity financing and cash flow to fund the Corporation’s capital and operating requirements as needed. The Corporation has included the above summary of assumptions and risks related to forward-looking information provided in this prospectus in order to provide investors with a more complete perspective on the Corporation’s future operations and such information may not be appropriate for other purposes. The Corporation’s actual results, performance or achievement could differ materially from those expressed in, or implied by, forward-looking statements in this prospectus and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Corporation will derive therefrom. These forward-looking statements are made as of the date of this prospectus and the Corporation disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

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PROSPECTUS SUMMARY

The following is a summary of this prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

Summaries are made up of disclosure requirements (hereinafter referred to as “**Elements**”). The Elements are numbered in Sections A – E (A.1 – E.7). All Elements should be listed, even if they do not apply in the circumstances. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Where an Element is listed but where there is no relevant disclosure, the Element is accompanied by the statement “not applicable”.

Section A – Introduction and warnings		
A.1	<i>Introduction and warnings</i>	<p>This summary should be read as an introduction to the prospectus.</p> <p>Any decision to invest in International Petroleum Corporation’s (“IPC” or the “Corporation”, whereby references to the Corporation include the IPC Subsidiaries where the context requires, however, the “Group” always means IPC (as parent company) and its subsidiaries) common shares (the “Common Shares”) should be based on consideration of the prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Union, have to bear the costs of translating the prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	<i>Financial intermediaries</i>	Not applicable. Financial intermediaries are not entitled to use the prospectus for subsequent resale or final placement of securities.
Section B – Issuer and any guarantor		
B.1	<i>Legal and commercial name</i>	The Corporation’s legal and commercial name is International Petroleum Corporation.
B.2	<i>Domicile, legal form, legislation and country of incorporation</i>	IPC is domiciled in British Columbia, Canada. IPC is a public limited liability company incorporated in British Columbia, Canada, under the <i>Business Corporations Act</i> (British Columbia) with British Columbia Registry number BC1103721.
B.3	<i>Current operations and principal activities</i>	<p>The Corporation was incorporated on January 13, 2017 for the purpose of acquiring all of the oil and gas exploration and production properties and related assets of Lundin Petroleum AB (“Lundin Petroleum”) located in Malaysia, France and the Netherlands (the “Initial Oil and Gas Assets”) held through various subsidiaries of Lundin Petroleum. The transfer of the Initial Oil and Gas Assets was effected by an internal reorganization of Lundin Petroleum pursuant to which, among other things, the Corporation became the direct or indirect owner of a number of the subsidiaries of Lundin Petroleum (the “Reorganization”). In January 2018, the Corporation completed the acquisition of the Suffield area oil and gas assets in southern Alberta, Canada (the “Suffield Assets” or the “Oil and Gas Assets in Canada”, while the acquisition of those assets is referred to as the “Suffield Acquisition”). The Initial Oil and Gas Assets together with the Oil and Gas Assets in Canada are referred to as the “Oil and Gas Assets”. On October 10, 2018, IPC and BlackPearl announced that IPC and BlackPearl entered into an arrangement agreement (the “Arrangement Agreement”), pursuant</p>

		<p>to which IPC agreed to acquire all of the issued and outstanding common shares of BlackPearl (“BlackPearl Shares”). Under the terms of the proposed plan of arrangement (the “Arrangement”), holders of BlackPearl Shares (“BlackPearl Shareholders”) will be entitled to receive 0.22 of a IPC Share for each BlackPearl Share held.</p> <p>Upon completion of the Arrangement, current holders of IPC Shares (“IPC Shareholders”) are expected to collectively own approximately 54%, and former BlackPearl Shareholders are expected to collectively own approximately 46%, of the then outstanding IPC Shares.</p> <p>The main business of the Corporation is exploring for, developing and producing oil and gas. The Corporation holds a portfolio of oil and gas production assets and development projects in Canada, Malaysia and Europe with exposure to growth opportunities. Since listing the Common Shares on April 24, 2017 at Toronto Stock Exchange (“TSX”) in Canada and at Nasdaq First North and subsequently Nasdaq Stockholm in Sweden, the Corporation has been focused on delivering operational excellence, demonstrating financial resilience, maximizing the value of Corporation’s resource base and targeting growth through acquisition. The vision and strategy of IPC’s management from the outset was to use the Corporation as a platform to build an international upstream company focused on creating long-term value for the Corporation’s shareholders, launched at a favorable time in the industry cycle to acquire and grow a significant resource base.</p>
B.4a	<i>Recent trends in the industry</i>	<p>The oil and gas industry continues to remain dynamic in response to global macroeconomic trends, including global supply of oil stocks, transportation costs, US shale production, emerging market demand, and production quotas imposed by the Organization of the Petroleum Exporting Countries (“OPEC”). As a result of an increased supply and reduced demand growth, the oil price fell from a peak of around USD 115/bbl in June 2014 to USD 26/bbl in January 2016. Since that time, the oil price has been volatile. From the middle of 2016 until near the end of 2017, the oil price ranged around USD 50/bbl, and then has fluctuated between USD 60 and 85/bbl in 2018.</p> <p>Management believes that the recent low oil price environment has driven asset divestitures by exploration and production companies struggling with liquidity issues, while also limiting the ability of balance sheet-constrained competitors to acquire such assets. Management’s recent experience indicates that the oil majors and large international oil and gas companies are increasingly focused on larger volumes in new frontier basins, not long-life, low decline assets in established basins, and will continue to dispose of high quality assets to meet their public divestment undertaking.</p> <p>The Oil and Gas Assets have continued to perform well during 2018 in line with expectations, with excellent facility uptime.</p>
B.5	<i>Group structure</i>	<p>The Corporation is the British Columbia, Canada, parent company in a group of companies. The Group consists of 27 direct and indirect subsidiaries of the Corporation in Canada, France, Malaysia, the Netherlands and Switzerland (whereby 11 of the subsidiaries are either inactive or under liquidation).</p>
B.6	<i>Notifiable interests, different voting rights and controlling interests</i>	<p>To the knowledge of the Corporation, no person or corporation owns or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares other than as set out below:</p>

		<u>Name</u>	<u>Ownership</u>	<u>Number of Common Shares⁽²⁾</u>	<u>Percentage of Common Shares⁽²⁾</u>																																																						
		Nemesia S.à.r.l. ⁽¹⁾	Of record and beneficially	28,062,512	31.92%																																																						
		Notes:																																																									
		(1)	Lorito Holdings S.a.r.l. and Zebra Holdings and Investments S.a.r.l., two private companies controlled by a trust settled by the late Adolf H. Lundin, together hold 100% of the outstanding Class C shares of Nemesia and control Nemesia.																																																								
		(2)	All Common Shares carry the same voting rights.																																																								
B.7	<i>Selected historical financial information</i>	<p>The financial data that is presented below has been derived from the audited consolidated financial statements for the financial years ended December 31, 2017 and 2016, the audited combined carve-out from Lundin Petroleum financial statements for the Initial Oil and Gas Assets for the financial year ended December 31, 2015 (together the “FY Financial Statements”) and the unaudited consolidated interim financial statements for the three and nine-month period ending on September 30, 2018 and 2017 (the “Interim Financial Statements”). The FY Financial Statements and the Interim Financial Statements are together referred to as the “Financial Statements”. The FY Financial Statements, which have been audited by the auditor of the Corporation, PricewaterhouseCoopers AG as indicated in their report, and the Interim Financial Statements, which have been reviewed by PricewaterhouseCoopers AG as indicated in their report, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted by the International Accounting Standards Board (“IASB”). With respect to the Interim Financial Statements, PricewaterhouseCoopers AG reported that they have applied limited procedures in accordance with International Standard on Review Engagements (ISRE) 2410. However, their review report states that they did not audit and they do not express an opinion on the Interim Financial Statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Rounding-off differences may arise in all tables.</p> <p>The 2015 FY Financial Statements exclude the Discontinued Operations, since these carve-out statements were prepared for the purposes of the Spin-Off and therefore were only intended to show the results of on-going operations. In accordance with applicable accounting rules, the 2016 and 2017 FY Financial Statements and the Interim Financial Statements include certain line items related to the Discontinued Operations. Accordingly, there may be certain discrepancies in respect of comparing the 2015 FY Financial Statements to the 2016 and 2017 FY Financial Statements and the Interim Financial Statements.</p> <p>Condensed Consolidated Statement of Operations</p> <table border="1"> <thead> <tr> <th></th> <th>Unaudited</th> <th>Unaudited</th> <th>Audited</th> <th>Audited</th> <th>Audited</th> </tr> <tr> <th>USD Thousands</th> <th>Jan – Sep 2018</th> <th>Jan – Sep 2017</th> <th>FY 2017</th> <th>FY 2016</th> <th>FY 2015</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>342,545</td> <td>148,354</td> <td>203,001</td> <td>209,880</td> <td>172,094</td> </tr> <tr> <td>Cost of sales</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Production costs</td> <td>(127,046)</td> <td>(47,063)</td> <td>(64,437)</td> <td>(59,155)</td> <td>(41,474)</td> </tr> <tr> <td>Depletion and decommissioning costs</td> <td>(71,006)</td> <td>(40,549)</td> <td>(54,555)</td> <td>(85,187)</td> <td>(92,573)</td> </tr> <tr> <td>Depreciation of other assets</td> <td>(23,538)</td> <td>(23,713)</td> <td>(31,629)</td> <td>(31,073)</td> <td>(23,685)</td> </tr> <tr> <td>Exploration and business development costs</td> <td>(402)</td> <td>(1,906)</td> <td>(3,786)</td> <td>(14,141)</td> <td>(37,638)</td> </tr> <tr> <td>Impairment costs</td> <td>–</td> <td>164</td> <td>164</td> <td>(125,963)</td> <td>(191,758)</td> </tr> </tbody> </table>					Unaudited	Unaudited	Audited	Audited	Audited	USD Thousands	Jan – Sep 2018	Jan – Sep 2017	FY 2017	FY 2016	FY 2015	Revenue	342,545	148,354	203,001	209,880	172,094	Cost of sales						Production costs	(127,046)	(47,063)	(64,437)	(59,155)	(41,474)	Depletion and decommissioning costs	(71,006)	(40,549)	(54,555)	(85,187)	(92,573)	Depreciation of other assets	(23,538)	(23,713)	(31,629)	(31,073)	(23,685)	Exploration and business development costs	(402)	(1,906)	(3,786)	(14,141)	(37,638)	Impairment costs	–	164	164	(125,963)	(191,758)
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Gross profit/(loss)	120,553	35,287	48,758	(105,639)	(215,034)
Other income	–	–	–	4,804	–
Sale of assets	–	–	–	(3,452)	–
General, administration and depreciation expenses	(9,912)	(6,325)	(10,400)	(1,931)	(18,046)
Profit/(loss) before financial items	110,641	28,962	38,358	(106,218)	(233,080)
Finance income	889	79	94	19,132	54,337
Finance costs	(28,381)	(12,795)	(15,001)	(3,747)	(3,826)
Net financial items	(27,492)	(12,716)	(14,907)	15,385	50,511
Profit/(loss) before tax	83,149	16,246	23,451	(90,833)	(182,569)
Income tax	(8,851)	(2,500)	(728)	(4,887)	1,004
Net result	74,298	13,746	22,723	(95,720)	(181,565)
Net result attributable to:					
Shareholders of the Corporation	74,277	13,741	22,718	(95,728)	(181,571)
Non-controlling interest	21	5	5	8	6
	74,298	13,746	22,723	(95,720)	(181,565)
Earnings per share – USD ¹	0.84	0.13	0.23	(0.84)	(1.60)
Earnings per share fully diluted – USD ¹	0.83	0.13	0.23	(0.84)	(1.60)

¹ For comparative purposes, the Corporation's common shares issued under the Spin-Off have been assumed to be outstanding as of the beginning of each period to the Spin-Off.

Condensed Consolidated Statements of Comprehensive Income/(Loss)

	Unaudited	Unaudited	Audited	Audited	Audited
USD Thousands	Jan – Sep 2018	Jan – Sep 2017	FY 2017	FY 2016	FY 2015
Net result	74,298	13,746	22,723	(95,720)	(181,565)
Other comprehensive income/(loss):					
Items that may be reclassified to profit or loss:					
Cash flow hedges	(1,686)	–	1,292	–	–
Currency translation difference	(2,457)	(5,116)	(3,374)	–	10,034
Total comprehensive income/(loss)	70,155	8,630	20,641	(95,720)	(171,531)
Total comprehensive income/(loss) attributable to:					
Shareholders of the Corporation	70,138	8,611	20,620	(95,728)	(171,537)
Non-controlling interest	17	19	21	8	6
	70,155	8,630	20,641	(95,720)	(171,531)

Condensed Consolidated Balance Sheets

	Unaudited	Unaudited	Audited	Audited	Audited
USD Thousands	Sept 30, 2018	Sept 30, 2017	December 31, 2017	December 31, 2016	December 31, 2015
ASSETS					
Non-current assets					
Exploration and evaluation assets	9,151	7,426	7,380	2,904	137,221
Property, plant and equipment, net	690,709	306,157	312,401	317,808	382,918
Other tangible fixed assets, net	99,044	130,339	123,051	152,157	186,612
Financial assets	3	5	5	5	5
Deferred tax assets	2,796	10,595	12,398	12,049	12,331
Total non-current assets	801,703	454,522	455,235	484,923	719,087
Current assets					
Inventories	27,644	21,740	24,611	25,067	31,005
Trade and other receivables	74,440	77,224	74,794	48,226	40,629
Derivative instruments	28	–	1,372	–	–
Current tax	7,182	22	20	406	3,470
Cash and cash equivalents	8,135	17,759	33,679	13,410	24,373
Total current assets	117,429	116,745	134,476	87,109	99,477
TOTAL ASSETS	919,132	571,267	589,711	572,032	818,564
EQUITY AND LIABILITIES					
Shareholders' equity	376,660	294,083	307,166	405,348	592,889
Non-controlling interest	(207)	(226)	(224)	(252)	(277)
Net shareholders equity / Net Corporation investment	376,453	293,857	306,942	405,096	592,612
Non-current liabilities					
Financial liabilities	216,891	64,020	59,267	–	–
Provisions	174,501	99,107	105,887	93,581	113,661
Deferred tax liabilities	58,799	53,213	53,943	46,616	49,316
Total non-current liabilities	450,191	216,340	219,097	140,197	162,977
Current liabilities					
Trade and other payables	76,185	55,617	57,388	22,924	62,530
Provisions	13,640	5,304	6,025	3,815	–
Derivative instruments	460	–	–	–	–
Current tax liabilities	2,203	149	259	–	445
Total current liabilities	92,488	61,070	63,672	26,739	62,975
TOTAL EQUITY AND LIABILITIES	919,132	571,267	589,711	572,032	818,564

Condensed Consolidated Statements of Cash Flows

	Unaudited	Unaudite d	Audited	Audited	Audited
USD Thousands	Jan – Sep 2018	Jan – Sep 2017	FY 2017	FY 2016	FY 2015
Cash flow from operating activities					
Net result	74,298	13,746	22,723	(95,720)	(181,565)
Adjustments for non-cash related items:					

Depletion, depreciation and amortization	94,966	65,172	87,162	117,510	117,403
Exploration costs	206	30	917	14,141	37,638
Impairment costs	–	(164)	(164)	125,963	191,758
Current tax	(5,197)	79	196	(2,199)	1,699
Deferred tax	14,048	2,421	532	7,086	(2,703)
Capitalized financing fees	2,525	405	700	–	–
Foreign currency exchange	7,715	8,719	8,922	(19,070)	(53,621)
Interest expense	11,820	720	1,378	8	19
Result on sale of the Singa field, Indonesia	–	–	–	3,452	–
Unwinding of asset retirement obligation discount	7,035	2,641	3,674	3,571	3,174
Decommissioning costs paid	(5,976)	(4,251)	(5,169)	(9,710)	–
Share-based costs	2,799	2,150	3,224	–	1,015
Other	444	(613)	(1,058)	1,608	–
Cash flow generated from operations (before working capital adjustments and income taxes)	204,683	91,055	123,037	146,640	114,817
Changes in working capital	22,767	18,828	20,344	(51,790)	(44,992)
Interest paid	(11,843)	–	–	–	(4)
Income taxes paid	–	469	476	4,880	(3,044)
Net cash flow from operating activities	215,607	110,352	143,857	99,730	66,777
Cash flow used in investing activities					
Investment in oil and gas properties	(22,677)	(11,077)	(23,077)	(34,905)	(177,055)
Investment in other fixed assets	(936)	(123)	(546)	1,724	(31,122)
Deposit for business acquisition	–	(32,632)	(32,632)	–	–
Acquisition of the Suffield Assets	(373,375)	–	–	–	–
Disposal of fixed assets	–	–	–	23,770	–
Other payments	(620)	–	–	(206)	(2,976)
Net cash (outflow) from investing activities	(397,608)	(43,832)	(56,255)	(9,617)	(211,153)
Cash flow from financing activities					
Borrowings	162,513	65,000	60,000	–	–
Paid financing fees	(6,425)	(1,329)	(1,391)	–	–
Cash funded from / (to) Lundin Petroleum	–	(31,394)	(31,394)	(102,774)	134,893
Share purchase	–	(90,632)	(90,632)	–	–
Net cash (outflow) from financing activities	156,088	(58,355)	(63,417)	(102,774)	134,893
Change in cash and cash equivalents	(25,913)	8,165	24,185	(12,661)	(9,483)
Cash and cash equivalents at the beginning of period	33,679	13,410	13,410	29,488 ⁽¹⁾	25,108
Currency exchange difference in cash and cash equivalents	369	(3,816)	(3,916)	(3,417)	8,748
Cash and cash equivalents at the end of the period	8,135	17,759	33,679	13,410	24,373⁽¹⁾

⁽¹⁾ The difference in cash and cash equivalents between end of FY 2015 and beginning of FY 2016 is due to the spin-off and originates from the Discontinued Operations.

Key Performance Indicators

USD Thousands	Unaudited	Unaudited	Audited	Audited	Audited
	Jan – Sep 2018	Jan – Sep 2017	FY 2017	FY 2016	FY 2015
Revenue	342,545	148,354	203,001	209,880	172,094
Gross profit/(loss)	120,553	35,287	48,758	(105,639)	(215,034)
Net result	74,298	13,746	22,723	(95,720)	(181,565)
Operating cash flow ¹	220,696	101,212	138,368	152,924	128,921
EBITDA ¹	206,009	95,876	129,259	150,043	113,720
Net debt ¹	213,217	47,241	26,321	(13,410)	(24,373)

¹ Non-IFRS measures (unaudited)

The Corporation uses non-IFRS measures to provide investors with supplemental measures. Management also uses non-IFRS measures internally in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the Corporation's ability to meet its future capital expenditure and working capital requirements. Management believes these non-IFRS measures are important supplemental measures of operating performance because they highlight trends in the core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management believes such measures allow for assessment of the Corporation's operating performance and financial condition on a basis that is more consistent and comparable between reporting periods. The Corporation also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers.

"Operating cash flow" is calculated as revenue less production costs less current tax. Management believes that operating cash flow can be used to analyze the amount of cash that is being generated available for capital investment and servicing debt.

"Operating cost" is calculated as production costs excluding any change in the inventory position and the cost of blending and is used to analyze the cash cost of producing the oil and gas volumes.

"EBITDA" is calculated on a per boe basis as net result before financial items, taxes, depletion of oil and gas properties, exploration costs, impairment costs and depreciation and adjusted for non-recurring profit/loss on sale of assets. Management believes that EBITDA is an important supplemental measure of operating performance to analyze operating earnings before non-operational expenses and non-cash or extraordinary charges.

"Net debt" is calculated as bank loans less cash and cash equivalents. "Net cash" is calculated as cash and cash equivalents less bank loans. Management believes that net debt/net cash is a useful calculation of a company's debt position for leverage analysis and capital allocation decisions.

Reconciliation of Non-IFRS Measures

Operating cash flow

The following table sets out how operating cash flow is calculated from figures shown in the Financial Statements:

USD Thousands	Unaudited	Unaudited	Audited	Audited	Audited
	Jan – Sep 2018	Jan – Sep 2017	FY 2017	FY 2016	FY 2015
Revenue	342,545	148,354	203,001	209,880	172,094
Production costs	(127,046)	(47,063)	(64,437)	(59,155)	(41,474)

Current tax	5,197	(79)	(196)	2,199	(1,699)
Operating cash flow (unaudited)	220,696	101,212	138,368	152,924	128,921

EBITDA

The following table sets out the reconciliation from net result from the face of the statement of operations to EBITDA in the Financial Statements:

	Unaudited	Unaudited	Audited	Audited	Audited
USD Thousands	Jan – Sep 2018	Jan – Sep 2017	FY 2017	FY 2016	FY 2015
Net result	74,298	13,746	22,723	(95,720)	(181,565)
Net financial items	27,492	12,716	14,907	(15,385)	(50,511)
Income tax	8,851	2,500	728	4,887	(1,004)
Depletion	71,006	40,549	54,555	85,187	92,573
Depreciation of other assets	23,538	23,713	31,629	31,073	23,685
Exploration and business development costs	402	1,906	3,786	14,141	37,638
Impairment costs	–	(164)	(164)	125,963	191,758
Depreciation included in general, administration and depreciation expenses ¹	422	910	1,095	1,249	1,146
Sale of assets (non-recurring)	–	–	–	3,452	–
Other income	–	–	–	(4,804)	–
EBITDA (unaudited)	206,009	95,876	129,259	150,043	113,720

¹ Item is not shown in the Financial Statements (unaudited)

Operating costs

The following table sets out how operating costs is calculated:

	Unaudited	Unaudited	Audited	Audited	Audited
USD Thousands	Jan – Sep 2018	Jan – Sep 2017	FY 2017	FY 2016	FY 2015
Production costs	127,046	47,063	64,437	59,155	41,474
Cost of blending ¹	(19,834)	–	–	–	–
Change in inventory position	6,480	(4,583)	(3,688)	994	9,776
Operating costs (unaudited)	113,692	42,480	60,749	60,149	51,250

¹ Cost of blending represents the contracted purchase of diluent used for blending net of proceeds from the sale of surplus diluent

Net debt / (net cash)

The following table sets out how net debt / (net cash) is calculated from figures shown in the Financial Statements:

	Unaudited	Unaudited	Audited	Audited	Audited
USD Thousands	Sept 30, 2018	Sept 30, 2017	December 31, 2017	December 31, 2016	December 31, 2015

Bank loans	221,352	65,000	60,000	– ¹	– ¹
Cash and cash equivalents	(8,135)	(17,759)	(33,679)	(13,410)	(24,373)
Net debt / (net cash) (unaudited)	213,217	47,241	26,321	(13,410)	(24,373)

¹ IPC was spun-off from Lundin Petroleum with no external bank loans

Significant changes from January 1, 2015 to September 30, 2018

The global price of oil fell sharply during 2015 resulting in an average market price for Brent crude of USD 52/bbl. Prices remained low in 2016 and 2017 with Brent crude averaging USD 43/bbl for 2016 and USD 54/bbl for 2017. This had an impact on the revenue generated by the Oil and Gas Assets.

In April 2015, the Bertam field commenced production, significantly increasing the reported production volumes and revenue of the Initial Oil and Gas Assets, as well as increasing the production costs and deletion costs from the start up of operations. Depreciation of the floating production, storage and offloading (“FPSO”) unit used on the Bertam field (the “FPSO Bertam”) also commenced in April 2015 with the book value of the FPSO being depreciated over the six-year duration of the lease contract on a straight line basis.

Due to the lower oil price, there was a non-cash impairment charge to the income statement in 2015 relating to the Bertam field of USD 165.9 million pre-tax (USD 141.3 million post-tax) and a further USD 25.9 million pre- and post-tax non-cash charge relating to other Malaysian exploration blocks. In 2016, a non-cash impairment charge of USD 126.0 million was expensed to the income statement with no corresponding tax credit relating to gas discoveries made in Malaysia. In 2017, no significant impairment charge was booked.

The reorganization whereby IPC acquired the Initial Oil and Gas Assets and the spin-off whereby Lundin Petroleum spun-off the Common Shares in IPC to its shareholders were completed during April 2017 and IPC’s Common Shares started trading on the TSX and Nasdaq First North on April 24, 2017.

In September 2017, IPC announced the Suffield Acquisition. The Suffield Acquisition was completed on January 5, 2018. The consideration paid on closing, net of closing adjustments, was CAD 449 million. A further payment of CAD 12 million was paid in June 2018. In addition, certain capped, additional contingent payments may become payable based on oil and natural gas prices.

The Suffield Acquisition was fully funded from internally generated cash flow and existing and new lending facilities. The Suffield Acquisition financing package, consisting of an increase in the reserve based lending facility from USD 100 million to USD 200 million and new credit facilities of CAD 310 million, was fully underwritten by BMO Capital Markets. Following completion of the Suffield acquisition, the Group had net debt of approximately USD 355 million.

In December 2017, IPC announced that drilling of the first of two planned infill wells had commenced on the Bertam field, offshore Malaysia. The two infill wells were successfully completed and put on production in early 2018.

In February 2018, IPC announced that, following the submission of an application to the relevant Malaysian authorities, the FPSO Bertam received registration as a Malaysian flagged vessel under the applicable Malaysian marine regulations.

In February 2018, IPC also announced that the 2018 production guidance is 30,000 to 34,000 boepd, with operating costs for 2018 expected to be USD 12.6 per boe. IPC’s 2018 capital expenditure budget is USD 32 million, primarily targeting production growth in Canada and Malaysia. The Group has allocated approximately USD 11 million to oil drilling in Suffield and approximately USD 14 million as carry-over costs related to the 2017-2018

	<p>infill drilling campaign in Malaysia, with the remainder on continued project, maintenance and optimization activities in France and the Netherlands.</p> <p>In May 2018, IPC announced the decision to approve additional capital expenditure of USD 6.5 million (net) to drill the Keruing (formerly I35) prospect in Malaysia in late 2018, subject to Petronas approval and rig contracting.</p> <p>In June 2018, IPC announced that the IPC Shares commenced trading on Nasdaq Stockholm.</p> <p>In August 2018, IPC announced a revised 2018 production guidance of 32,500 to 34,000 boepd following strong first half performance. IPC also increased the 2018 capital expenditure budget to USD 44 million, mainly related to increased gas optimization in Canada. IPC also announced that net debt reduced to USD 255 million as at June 30, 2018 and that the Second Lien Credit Facility was fully repaid.</p> <p>Significant changes after September 30, 2018</p> <p>On October 10, 2018, IPC and BlackPearl announced that IPC and BlackPearl entered into the Arrangement Agreement, pursuant to which IPC agreed to acquire all of the BlackPearl Shares. Under the terms of the Arrangement, the BlackPearl Shareholders will be entitled to receive 0.22 of an IPC Share for each BlackPearl Share held.</p> <p>In November 2018, IPC announced that net debt reduced to USD 213 million as at September 30, 2018.</p> <p>Upon completion of the Arrangement, current IPC Shareholders are expected to collectively own approximately 54%, and former BlackPearl Shareholders are expected to collectively own approximately 46%, of the then outstanding IPC Shares.</p> <p>There have been no other significant changes in the operations or operating results of the Corporation since September 30, 2018 up to the date of this prospectus.</p>
<p>B.8</p>	<p><i>Selected pro forma financial information</i></p> <p>Unaudited Pro Forma Combined Condensed Consolidated Financial Statements</p> <p>On October 9, 2018, IPC entered into the Arrangement Agreement to acquire BlackPearl pursuant to the Plan of Arrangement. On January 5, 2018, IPC completed the Suffield Acquisition.</p> <p>These unaudited pro forma combined financial statements of IPC have been prepared by management and reflect the assumed transaction and assumptions in connection with the Arrangement and the Suffield Acquisition.</p> <p>The following tables set out the unaudited pro forma consolidated financial statements of IPC for the year ended December 31, 2017 and as at and for the nine months ended September 30, 2018.</p> <p>The pro forma financial information has been compiled using accounting policies consistent with those applied by IPC for the preparation of its consolidated financial statements. Pro forma financial information is by its nature intended to describe a hypothetical situation. The Corporation is only presenting the pro forma financial information for illustrative purposes, and the pro forma financial information should not be seen as an indication of the actual profits or financial position that would have occurred had the relevant events actually have occurred at the indicated dates. Further, the pro forma financial information should not be seen as an indication of the Corporation's future profit or financial position.</p> <p>PricewaterhouseCoopers AG has performed an assurance engagement on the unaudited combined pro forma financial statements in accordance with International Standard on Assurance Engagements 3420, Assurance</p>

Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus as is described below. However, neither the assumptions underlying the pro forma adjustments nor the resulting pro forma financial information have been audited in accordance with International Standards on Auditing (“ISA”). Any reliance investors place on this information should fully take this into consideration.

Unaudited Pro Forma Combined Condensed Consolidated Balance Sheet as at September 30, 2018

<i>Thousands USD</i>	Unaudited IPC	Unaudited BlackPearl (1)	Unaudited Pro Forma Adjustments	Unaudited Pro Forma IPC
Non-current assets				
Exploration and evaluation assets	9,151	138,402	(138,402)	9,151
Property, plant and equipment, net	690,709	539,068	(65,515)	1,164,262
Other tangible fixed assets, net	99,044	-	-	99,044
Financial assets	3	99	-	102
Deferred tax assets	2,796	8,903	38,287	49,986
Total non-current assets	801,703	686,472	(165,630)	1,322,545
Current assets				
Inventories	27,644	168	-	27,812
Trade and other receivables	74,440	15,651	-	90,091
Derivative instruments	28	38	-	66
Current tax	7,182	-	-	7,182
Cash and cash equivalents	8,135	3,044	-	11,179
Total current assets	117,429	18,901	-	136,330
TOTAL ASSETS	919,132	705,373	(165,630)	1,458,875
LIABILITIES				
Non-current liabilities				
Financial liabilities	216,891	94,951	1,106	312,948
Provisions	174,501	62,846	(24,942)	212,405
Deferred tax liabilities	58,799	-	-	58,799
Derivative instruments	-	2,215	-	2,215
Deferred consideration	-	10,235	-	10,235
Total non-current liabilities	450,191	170,247	(23,836)	596,602
Current liabilities				
Trade and other payables	76,185	24,947	-	101,132
Provisions	13,640	504	-	14,144
Derivative instruments	460	24,171	-	24,631
Current tax liabilities	2,203	-	-	2,203
Current portion of deferred consideration	-	422	-	422
Total current liabilities	92,488	50,044	-	142,532
EQUITY				
Shareholders' equity	376,660	485,082	(141,794)	719,948
Non-controlling interest	(207)	-	-	(207)
Net shareholders' equity	376,453	485,082	(141,794)	719,741
TOTAL EQUITY AND LIABILITIES	919,132	705,373	(165,630)	1,458,875

(1) The information is based upon BlackPearl's unaudited numbers for the period in CAD but has for the purposes of this pro forma been converted into USD with a USD/CAD rate of 1.3013

Unaudited Pro Forma Combined Condensed Consolidated Statement of Operations for the nine months ended September 30, 2018

<i>Thousands USD</i>	<i>Unaudited IPC</i>	<i>Unaudited BlackPearl. (1)</i>	<i>Unaudited Reclassification</i>	<i>Unaudited Pro Forma Adjustments</i>	<i>Unaudited Pro Forma IPC</i>
Sales of oil and gas	333,672	110,440	-	-	444,112
Change in under/over lift position	397	-	-	-	397
Other Revenue	14,213	-	-	-	14,213
Deferred Consideration	-	320	-	-	320
Royalties	(5,737)	(13,424)	-	-	(19,161)
Total Revenue	342,545	97,336	-	-	439,881
Cost of operations	(95,089)	(35,003)	-	-	(130,092)
Tariff and transportation expenses	(12,397)	(6,504)	-	-	(18,901)
Direct production taxes	(6,206)	-	-	-	(6,206)
Change in inventory position	6,480	-	-	-	6,480
Other costs	(19,834)	-	-	-	(19,834)
Production costs	(127,046)	(41,507)	-	-	(168,553)
Operating income	215,499	55,829	-	-	271,328
Depletion and decommissioning costs	(71,006)	(26,467)	-	1,906	(95,567)
Depreciation of other assets	(23,538)	-	-	-	(23,538)
Exploration and business development costs	(402)	-	-	-	(402)
Impairment costs	-	-	-	-	-
Gross Profit	120,553	29,362	-	1,906	151,821
Loss on risk management contracts	-	(30,925)	-	-	(30,925)
Stock based Compensation	-	(3,272)	3,272	-	-
General administrative and depreciation expenses	(9,912)	(5,248)	(3,272)	-	(18,432)
Profit before financial items	110,641	(10,083)	-	1,906	102,464
Finance income	889	-	-	-	889
Foreign exchange loss, net	(6,176)	25	-	-	(6,151)
Unwinding of asset retirement obligation discount	(7,035)	(1,103)	-	(818)	(8,956)
Interest expense	(11,820)	(3,115)	-	-	(14,935)
Amortization of loan fees	(2,525)	(479)	-	-	(3,004)
Loan commitment fees	(583)	-	-	-	(583)
Other financial costs	(242)	-	-	-	(242)
Net financial items	(27,492)	(4,672)	-	(818)	(32,982)
Profit before tax	83,149	(14,755)	-	1,088	69,482
Income tax	(8,851)	3,177	-	(294)	(5,968)
Net result	74,298	(11,578)	-	794	63,514
Net result attributable to: Shareholders of the parent company	74,277	(11,578)	-	794	63,493
Non controlling interest	21	0	-	-	21
Earning per share - USD (2)	0.84	-0.03	-	-	0.39
Earning per share fully diluted - USD	0.83	-0.03	-	-	0.38

Weighted average common shares	87,921,846	336,866,000	-336,866,000	75,600,777	163,522,623
Basic	89,906,745	341,591,000	-341,591,000	75,600,777	165,507,522

Diluted

(1) The information is based upon BlackPearl's unaudited numbers for the period in CAD but has for the purposes of this pro forma been converted into USD with a USD/CAD rate of 1.2875

(2) Based on net result attributable to shareholders of the parent company

Unaudited Pro Forma Combined Condensed Consolidated Statement of Operations for the year ended December 31, 2017

Thousands USD	Audited IPC	Audited Suffield Assets (3)	Unaudited Pro Forma Adjustments regarding the Suffield Assets	Unaudited IPC Pro Forma after the Suffield Acquisition	Unaudited BlackPearl (1)	Unaudited Reclassification	Unaudited Pro Forma Adjustments regarding BlackPearl	Unaudited Pro Forma IPC including both Suffield and BlackPearl
Sales of oil and gas	185,182	185,659	-	370,841	116,535	-	-	487,376
Change in under/over lift position	(613)	-	-	(613)	-	-	-	(613)
Other Revenue	18,432	-	-	18,432	-	-	-	18,432
Deferred Consideration	-	-	-	-	423	-	-	423
Royalties	-	(7,183)	-	(7,183)	(16,275)	-	-	(23,458)
Total Revenue	203,001	178,476	-	381,477	100,683	-	-	482,160
Cost of operations	(53,389)	(54,984)	-	(108,373)	(40,680)	-	-	(149,053)
Tariff and transportation expenses	(3,361)	(36,202)	24,172	(15,391)	(6,668)	-	-	(22,059)
Direct production taxes	(3,999)	(112)	-	(4,111)	-	-	-	(4,111)
Change in inventory position	(3,688)	-	-	(3,688)	-	-	-	(3,688)
Other costs	-	-	(24,172)	(24,172)	-	-	-	(24,172)
Production costs	(64,437)	(91,298)	-	(155,735)	(47,348)	-	-	(203,083)
Operating income	138,564	-	-	225,742	53,335	-	-	279,077
Depletion and de-commissioning costs	(54,555)	-	(44,315)	(98,870)	(32,372)	-	4,031	(127,211)
Depreciation of other assets	(31,629)	-	-	(31,629)	-	-	-	(31,629)
Exploration and business development costs	(3,786)	-	-	(3,786)	-	-	-	(3,786)
Impairment costs	164	-	-	164	-	-	-	164
Gross Profit	48,758	-	(44,315)	91,621	20,963	-	4,031	116,615
Sales of Assets	-	-	-	-	855	-	-	855
Gain (Loss) on risk management contracts	-	-	-	-	(3,557)	-	-	(3,557)
Stock based Compensation	-	-	-	-	(1,795)	1,795	-	-
General administrative and depreciation expenses	(10,400)	-	(1,600)	(12,000)	(6,438)	(1,795)	-	(20,233)
Profit before financial items	38,358	-	(45,915)	79,621	10,028	-	4,031	93,680
Finance income	94	-	-	94	123	-	-	217
Foreign exchange loss, net	(8,922)	-	-	(8,922)	(183)	-	-	(9,105)
Unwinding of asset retirement obligation discount	(3,557)	-	(5,346)	(8,903)	(1,281)	-	(824)	(11,008)
Interest expense	(1,378)	-	(12,285)	(13,663)	(926)	-	-	(14,588)
Amortization of loan fees	(700)	-	(2,748)	(3,448)	(317)	-	-	(3,765)
Loan commitment fees	(391)	-	(902)	(1,293)	-	-	-	(1,293)
Other financial costs	(53)	-	-	(53)	-	-	-	(53)
Net financial items	(14,907)	-	(21,281)	(36,188)	(2,584)	-	(824)	(39,595)
Profit before tax	23,451	-	(67,196)	43,433	7,444	-	3,207	54,085
Income tax	(728)	-	(5,395)	(6,123)	5,773	-	(866)	506
Net result	22,723	-	(72,591)	37,310	13,218	-	2,341	54,591

		<table border="1"> <tbody> <tr> <td colspan="7">Net result attributable to:</td> </tr> <tr> <td>Shareholders of the parent company</td> <td>22,718</td> <td>37,305</td> <td>13,218</td> <td>-</td> <td>2,341</td> <td>54,586</td> </tr> <tr> <td>Non controlling interest</td> <td>5</td> <td>5</td> <td>-</td> <td></td> <td></td> <td>5</td> </tr> <tr> <td colspan="7">Earning per share - USD (2)</td> </tr> <tr> <td></td> <td>0.23</td> <td>0.38</td> <td>0.04</td> <td></td> <td></td> <td>0.31</td> </tr> <tr> <td colspan="7">Earning per share fully diluted - USD</td> </tr> <tr> <td></td> <td>0.23</td> <td>0.38</td> <td>0.04</td> <td></td> <td></td> <td>0.31</td> </tr> <tr> <td colspan="7">Weighted average common shares</td> </tr> <tr> <td>Basic</td> <td>98,587,027</td> <td>98,587,027</td> <td>336,230,000</td> <td>-336,230,000</td> <td>75,600,777</td> <td>174,187,804</td> </tr> <tr> <td>Diluted</td> <td>99,138,548</td> <td>99,138,548</td> <td>339,555,000</td> <td>-339,555,000</td> <td>75,600,777</td> <td>174,739,325</td> </tr> </tbody> </table> <p>(1) BlackPearl's financial information in CAD has been audited but for purposes of this pro forma the information in CAD has been converted into USD with a USD/CAD rate of 1.2982</p> <p>(2) Based on net result attributable to shareholders of the parent company</p> <p>(3) Note that the Suffield Assets operating statement was audited to the production costs line only and has been translated into US dollars using the average rate for the year ended December 31, 2017 of 1.2982 CAD/USD</p>	Net result attributable to:							Shareholders of the parent company	22,718	37,305	13,218	-	2,341	54,586	Non controlling interest	5	5	-			5	Earning per share - USD (2)								0.23	0.38	0.04			0.31	Earning per share fully diluted - USD								0.23	0.38	0.04			0.31	Weighted average common shares							Basic	98,587,027	98,587,027	336,230,000	-336,230,000	75,600,777	174,187,804	Diluted	99,138,548	99,138,548	339,555,000	-339,555,000	75,600,777	174,739,325
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B.9	<i>Profit forecasts</i>	Not applicable. The prospectus does not contain any profit forecasts.																																																																						
B.10	<i>Remarks in the audit report</i>	Not applicable. There are no remarks in the audit report.																																																																						
B.11	<i>Insufficient working capital</i>	Not applicable. In the opinion of the board of directors of the Corporation (the " Board "), the Corporation's working capital is sufficient for the Corporation's requirements for the next twelve months.																																																																						
Section C – Securities																																																																								
C.1	<i>Securities being admitted to trading</i>	The Corporation's new Common Shares which is proposed to be approved for being issued (i.e. up to a maximum of 81,157,106 new Common Shares). The International Securities Identification Number (the ISIN) for the Common Shares is CA46016U1084.																																																																						
C.2	<i>Currency</i>	The Common Shares are denominated in Canadian dollars.																																																																						
C.3	<i>Total number of shares in the Corporation</i>	The Corporation is authorized to issue an unlimited number of Common Shares without par value, of which 87,921,846 Common Shares are currently issued and outstanding, an unlimited number of Class A Preferred Shares, of which 117,485,389 Class A Preferred Shares (the " Class A Preferred Shares ") are currently issued and outstanding and an unlimited number of Class B Preferred Shares (the " Class B Preferred Shares "), issuable in series, none of which is issued and outstanding.																																																																						
C.4	<i>Rights attached to the securities</i>	Holders of Common Shares have equal rights to dividends, if, as and when declared by the Board, and upon liquidation, to receive such assets of the Corporation as are distributable to holders of Common Shares and are also entitled to receive notice of meetings of shareholders of the Corporation and one vote per share at such meetings.																																																																						
C.5	<i>Transfer restrictions</i>	Not applicable. The Corporation's articles do not impose any transfer restrictions on the Common Shares.																																																																						
C.6	<i>Admission to trading on a regulated market</i>	The Board of the Corporation will apply for a listing of the new Common Shares on Nasdaq Stockholm. The first day of trading of the new IPC shares is expected to be on or around December 21, 2018. The Common Shares are currently listed on the TSX and Nasdaq Stockholm under the symbol "IPCO".																																																																						
C.7	<i>Dividend policy</i>	The Corporation does not currently anticipate paying any dividends on its Common Shares in the foreseeable future. The Corporation currently intends to utilize its earnings to finance the growth and development of its business and to otherwise reinvest in its business. Any decision to pay dividends on the Common Shares in the future will be made by the Board on the basis of the Corporation's earnings and financial requirements as well as other conditions existing at such time. Unless the Corporation																																																																						

		commences the payment of dividends, holders of Common Shares will not be able to receive a return on their Common Shares unless they sell them.
Section D – Risks		
D.1	<i>Key risks specific to the issuer and its industry</i>	<p>The Corporation is subject to risks that are wholly or partly outside of its control and which affect or may affect the Corporation’s operations, results, financial position and future prospects. The following risk factors, which are non-exhaustive and described in no particular order, are some of the risks the Corporation faces and are considered to be the key risks for the Corporation’s future development.</p> <p>Exploration, Development and Production Risks: Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Corporation depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves associated with the Oil and Gas Assets at any particular time, and the production therefrom, will decline over time as such existing reserves are exploited. There is a risk that additional commercial quantities of oil and natural gas will not be discovered or acquired by the Corporation. Future oil and gas development may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or personal injury. In accordance with industry practice, the Corporation will not fully insure against all of these risks, nor are all such risks insurable. Due to the nature of these risks, there is a risk that such liabilities could exceed insurance policy limits, in which event the Corporation could incur significant costs.</p> <p>Volatility in Oil and Gas Commodity Prices: The marketability and price of oil and natural gas that may be acquired or discovered by the Corporation is and will continue to be affected by numerous factors beyond its control. Oil and natural gas prices have fluctuated widely during recent years and may continue to be volatile in the future. Any substantial and extended decline in the price of oil and gas would have an adverse effect on the carrying value of the reserves and resources, borrowing capacity, revenues, profitability and cash flows associated with operation of the Corporation’s assets and may have a material adverse effect on the business, financial conditions, results of operations and prospects associated with the Corporation’s assets.</p> <p>Operational Risks Relating to Facilities and Pipelines: The pipelines and facilities associated with the Corporation’s assets, including the FPSO Bertam, are exposed to operational risks, many of which will be beyond the control of the Corporation. The occurrence or continuance of any of these or other operational events could curtail sales or production or materially increase the cost of operating the facilities and pipelines associated with the Oil and Gas Assets and reduce revenues accordingly.</p> <p>Uncertainties Associated with Estimating Reserves and Resources Volumes: There are numerous uncertainties inherent in estimating quantities of oil and natural gas reserves and resources (contingent or prospective) and the future cash flows attributed to such reserves and resources. The cash flow information associated with reserves and resources set forth herein are estimates only. The actual production, revenues, taxes and development and operating expenditures with respect</p>

	<p>to the reserves and resources associated with the Corporation's assets will vary from estimates thereof and such variations could be material.</p> <p>Regulatory Approvals and Compliance and Changes in Legislation and the Regulatory Environment: Oil and natural gas operations (including exploration, development, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. Governments may regulate or intervene with respect to exploration, production and abandonment activities, price, taxes, royalties and the exportation of oil and natural gas. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for crude oil and natural gas and increase the costs associated with the Oil and Gas Assets, any of which may have a material adverse effect on the business, financial condition, results of operations and prospects of the Oil and Gas Assets.</p> <p>As an example of a government in a country in which the Corporation operates recently changing legislation relating to the oil and natural gas industry, the French government enacted legislation in 2017 to cease granting new petroleum exploration licenses in France and to restrict the production of oil and gas under existing production licenses in France from 2040. In this example, IPC does not expect that this legislation will have a material adverse effect on the Corporation's operations or financial conditions, however there is a risk to investors in Common Shares that further or other legal or regulatory changes could be enacted in France or in other countries in which the Corporation operates or proposes to operate which could have material adverse effects on the Corporation's operations.</p> <p>FPSO Flagging Regulations in Malaysia: The FPSO Bertam is required to be Malaysian flagged in order to be able to offload crude in Malaysian waters. In February 2018, following a corporate restructuring transaction, Malaysian flagging status for the FPSO Bertam was confirmed by the Malaysian authorities. As the FPSO provides a significant revenue stream, a failure to maintain the flagging status may result in a reduction of earnings for the Corporation and may also have a significant impact on offloading of crude from the FPSO Bertam.</p> <p>Failure to Realize Anticipated Benefits of Acquisitions and Dispositions: The Corporation may make acquisitions and dispositions of businesses and assets in the ordinary course of business, including the recent acquisition of the Suffield Assets and the proposed acquisition of BlackPearl. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as the Corporation's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Corporation. In addition, non-core assets may be periodically disposed of, so that the Corporation can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Corporation, if disposed of, could be expected to realize less than their carrying value on the financial statements of the Corporation.</p> <p>Reliance on Third-Party Operators: The Corporation has partners in each of the licence, lease and production sharing contract ("PSC") areas associated with the Corporation's assets. In some cases, including in the Aquitaine Basin in France and the Netherlands, the Corporation is not the operator of the licence and concession areas and must depend on the competence, expertise, judgment and financial resources (in addition to those of its own and, where relevant, other partnership and joint venture companies) of the partner operator and the operator's compliance with the terms of the licences, leases, PSCs and contractual arrangements. Mismanagement of licence areas by the Corporation's partner operators or defaults by them in meeting required obligations may result in significant</p>
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	<p>exploration, production or development delays, losses or increased costs to the Corporation.</p> <p>Reliance on Third-Party Infrastructure: The Corporation delivers the products associated with the Corporation’s assets by gathering, processing and pipeline systems, some of which it does not own. The amount of oil and natural gas that the Corporation is able to produce and sell is subject to the accessibility, availability, proximity and capacity of these gathering, processing and pipeline systems. The lack of availability of capacity in any of the gathering, processing and pipeline systems, and in particular the processing facilities, could result in the Corporation’s inability to realize the full economic potential of its production or in a reduction of the price offered for the Corporation’s production.</p> <p>Credit Facilities: The Corporation is party to credit facilities with international financial institutions. The terms of these facilities contain operating and financial covenants and restrictions on the ability of the Corporation to, among other things, incur or lend additional debt, pay dividends and make restricted payments, encumber its assets, sell assets and enter into certain merger or consolidation transactions. The failure of the Corporation to comply with the covenants contained in these facilities could result in an event of default, which could, through acceleration of debt, enforcement of security or otherwise, materially and adversely affect the operating results and financial condition of the Corporation.</p> <p>Competition for Resources and Markets: The international petroleum industry is competitive in all its phases. The Corporation competes with numerous other organizations in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. The Corporation’s competitors include oil and natural gas companies that may have substantially greater financial resources, staff and facilities than those of the Corporation. The Corporation’s ability to increase its reserves and resources in the future depends not only on its ability to explore and develop its present properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory and development drilling.</p> <p>Marketing: A decline in the Corporation’s ability to market oil and gas production could have a material adverse effect on its production levels or on the price that the Corporation receives for production, which in turn may affect the financial condition of the Corporation and the market price of the Common Shares. The Corporation’s business depends in part upon the availability, proximity and capacity of oil and gas gathering systems, pipelines and processing facilities as well as, potentially, rail loading facilities and railcars. Applicable regulation of oil and gas production, processing and transportation, tax and energy policies, general economic conditions, and changes in supply and demand could adversely affect the Corporation’s ability to produce and market oil and gas. If market factors change and inhibit the marketing of production, overall production or realized prices may decline, which may affect the financial condition of the Corporation and the market price of the Common Shares.</p> <p>Climate Change Legislation: The oil and natural gas industry is subject to environmental regulation. A breach of such legislation may result in the imposition of fines or issuance of clean up orders in respect of the Corporation or the Corporation’s assets, some of which may be material. Furthermore, management of the Corporation believes the political climate appears to favour new programs for environmental laws and regulation, particularly in relation to the reduction of emissions or emissions intensity, and there is a risk that any such programs, laws or regulations, if proposed and enacted, will contain emission reduction targets which the Corporation cannot meet, and financial penalties or charges could be incurred as a result of the failure to meet such targets.</p> <p>Fraud, Bribery and Corruption: The operations relating to the Oil and Gas Assets are governed by the laws of many jurisdictions, which generally</p>
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	<p>prohibit bribery and other forms of corruption. There is a risk that the Group's employees, officers, directors, agents, or business partners have in the past or will in the future engage in conduct undetected by the Corporation and for which the Corporation might be held liable under applicable anti-corruption laws. It is possible that the Corporation, or some of its subsidiaries, employees or contractors, could be subject to an investigation related to charges of bribery or corruption as a result of the unauthorized actions of its employees or contractors, which could result in significant corporate disruption, onerous penalties and reputational damage.</p> <p>Decommissioning, Abandonment and Reclamation Costs: The Corporation is responsible for compliance with all applicable laws, regulations and contractual requirements regarding the decommissioning, abandonment and reclamation of the Corporation's assets at the end of their economic life, the costs of which may be substantial. It is not possible to predict these costs with certainty since they will be a function of requirements at the time of decommissioning, abandonment and reclamation and the actual costs may exceed current estimates. Laws, regulations and contractual requirements with regard to abandonment and decommissioning may be implemented or amended in the future.</p> <p>Expiration and Renewal of Licences, Leases and Production Sharing Contracts: Certain properties constituting the Oil and Gas Assets are held in the form of licences, leases and PSCs. If the holder of the licence, lease or PSC or the operator of the licence, lease or PSC fails to meet the specific requirement of a licence, lease or PSC, including compliance with environmental, health and safety requirements, the licence, lease or PSC may terminate or expire. There is a risk that the obligations required to maintain each licence, lease or PSC will not be met. The termination or expiration of the licence, lease or PSC, or the working interests relating to a licence may have a material adverse effect on the business, financial condition, results of operations and prospects associated with the Oil and Gas Assets. From time to time, the licences and leases may, in accordance with their terms, become due for renewal; there is a risk that these licences, leases and PSCs associated with the Oil and Gas Assets will not be renewed by the relevant government authorities, on terms that will be acceptable to the Corporation. There also can be significant delay in obtaining licence renewals which may already affect the operations associated with the Oil and Gas Assets.</p> <p>Economic and Political Developments in Countries in which the Corporation Operates: International operations are subject to political, economic and other uncertainties. The Corporation's assets could also be adversely affected by changes in applicable laws and policies of Canada, Malaysia, France and the Netherlands, which could have a negative impact on the Corporation.</p> <p>Information Security: The Corporation is heavily dependent on its information systems and computer based programs. Failure, malfunction or security breaches by computer hackers and cyberterrorists of any such systems or programs may have a material adverse effect on the Corporation's business and systems, potentially affecting network assets and people's privacy. The primary risks to the Corporation include, loss of data, destruction or corruption of data, compromising of confidential customer or employee information, leaked information, disruption of business, theft or extortion of funds, regulatory infractions, loss of competitive advantage and reputational damage.</p> <p>The Arrangement: There is a risk that IPC and BlackPearl may not realize the anticipated benefits of the Arrangement, there are risks related to the integration of IPC's and BlackPearl's existing businesses, including that IPC Shareholders and BlackPearl Shareholders may be exposed to additional business risks not previously applicable to their respective investments prior to the Arrangement. Further, the completion of the Arrangement is subject to a number of conditions, certain of which are outside the control of IPC and BlackPearl. The Arrangement Agreement may be terminated by both</p>
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		IPC and BlackPearl in certain circumstances and the issuance of IPC Shares pursuant to the Arrangement, if completed, will have an immediate dilutive effect on the current IPC Shareholders' ownership interest in IPC.
D.3	<i>Key risks specific to the shares</i>	<p>Any investment in securities involves risks. Any such risks could cause the trading price of the Common Shares to decline significantly and investors could lose some or all of their investment. Some of the key risks related to the Common Shares include the following.</p> <p>Significant Shareholder: Nemesia S.à.r.l., 100% of the shares of which are owned by a trust settled by the late Adolf H. Lundin, owns approximately 32% of the aggregate voting shares of the Corporation. Nemesia S.à.r.l.'s holding allows it to significantly affect substantially all the actions taken by the shareholders of the Corporation, including the election of directors. As long as Nemesia S.à.r.l. maintains a significant interest in the Corporation, it is likely that Nemesia S.à.r.l. will exercise significant influence on operations of the Corporation. There is a risk that the interests of Nemesia S.à.r.l. will not be aligned with the interests of other shareholders.</p> <p>Additional Funding Requirements: The Corporation's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, the Corporation may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Corporation to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Corporation's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect the Corporation's ability to expend the necessary capital to replace its reserves or to maintain its production. If the Corporation's funds from operations is not sufficient to satisfy its capital expenditure requirements, there is a risk that debt or equity financing will be unavailable to meet these requirements or, if available, will be on terms unacceptable to the Corporation. Continued uncertainty in domestic and international credit markets could materially affect the Corporation's ability to access sufficient capital for its capital expenditures and acquisitions, and as a result, may have a material adverse effect on the Corporation's ability to execute its business strategy and on its business, financial condition, results of operations and prospects and also negatively impact the market price of the Common Shares.</p> <p>Issuance of Debt: From time to time, the Corporation may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed in whole or in part with debt, which may create debt or increase the Corporation's then-existing debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, the Corporation may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. The level of the indebtedness that the Corporation may have from time to time could impair the Corporation's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.</p> <p>Common Share Price Volatility: The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control.</p>
Section E – Offer		
E.1	<i>Net proceeds and expenses</i>	IPC will not receive any proceeds in conjunction with the Arrangement. IPC's estimated costs for the Arrangement is \$1.2 million which includes legal and financial advisory fees.

<p>E.2a</p>	<p><i>Reasons for the offer and use of proceeds</i></p>	<p>Background to the Arrangement</p> <p>The terms of the Arrangement are the result of arm's length negotiations between representatives of IPC and BlackPearl and their respective advisors.</p> <p>Attributes of the Arrangement</p> <p>Both IPC and BlackPearl expect IPC, following completion of the Arrangement, to offer the following benefits for shareholders of both IPC and BlackPearl:</p> <ul style="list-style-type: none"> • Stable Long-Term Production. IPC will have estimated average combined production of approximately 45,250 boe/d for 2018, based on the mid-point guidance of IPC and BlackPearl, across a diverse set of oil and gas assets in Canada (Alberta and Saskatchewan), Malaysia and Europe. Production is expected to be comprised of approximately 61% liquids (40% heavy oil and 21% light oil and condensate) and 39% natural gas. Production is expected to be weighted approximately 78% from Canada, 15% from Malaysia and 7% from Europe. • Strong Reserves and Resources. IPC will have combined gross proved plus probable reserves of 291.5 MMboe (as at December 31, 2017) and best estimate contingent resources of 852.9 MMboe (as at December 31, 2017). IPC's reserves life index will be approximately 17.6 years on a proved plus probable basis. • Organic Growth Opportunities. IPC will have a deep inventory of high quality drilling prospects and identified future development projects, with the potential to generate positive returns and deliver organic production and reserves growth. • Strong Balance Sheet. IPC is expected to have strong financial liquidity from the cash flows generated by its operations throughout the world, as well as continued access to unutilized amounts under the IPC Credit Facilities to accelerate investment in IPC's growth projects following completion of the Arrangement. • Ability to Optimize Capital Allocation. IPC will have a diverse portfolio of assets in Canada, Malaysia and Europe, allowing it to prioritize investment opportunities from the enlarged portfolio and achieve attractive returns for shareholders. • Strong Management and Board. The existing IPC Board and management will be complemented by the addition of BlackPearl representatives to the IPC Board and in local and senior management. IPC will have substantial local knowledge and operating capabilities. • Increased Scale and Expanded Investor Base. IPC is expected to have improved access to a greater universe of institutional and retail investors on both the TSX and Nasdaq. IPC's current dual listing and its significant access to a European investor base, combined with BlackPearl's existing North American investor base, is expected to benefit all shareholders following completion of the Arrangement as a result of improved liquidity and market attention. <p>IPC will not receive any proceeds in conjunction with the Arrangement.</p>
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<p>E.3</p>	<p><i>Terms and conditions of the offer</i></p>	<p>The following procedural steps must be taken in order for the Arrangement to become effective:</p> <ul style="list-style-type: none"> (a) the IPC Share issuance resolution must be approved by the IPC shareholders at the IPC shareholders' meeting; (b) the BlackPearl arrangement resolution must be approved by the BlackPearl securityholders at the BlackPearl securityholders' meeting in the manner set forth in an interim order; (c) the Court must grant the final order approving the Arrangement; (d) all conditions to the Arrangement, as set forth in the Arrangement Agreement, including the receipt of all required regulatory approvals, must be satisfied or waived by the appropriate party; and (e) the articles of arrangement and a copy of the final order, together with such other materials as may be required by the director, must be filed with the director. <p>There is no assurance that the conditions set forth in the Arrangement Agreement will be satisfied or waived on a timely basis or that the court will grant the final order approving the Arrangement.</p> <p><i>IPC Shareholder Approval</i></p> <p>The IPC Share issuance resolution must be approved by a majority of the votes cast by the IPC shareholders present in person or represented by proxy at the IPC shareholders' meeting after excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX company manual. It is expected that the votes in respect of an aggregate of 28,789,050 IPC Shares, representing approximately 32.74% of the outstanding IPC Shares, will be excluded pursuant to Section 611(b) of the TSX company manual for the purpose of determining approval of the IPC Share issuance resolution. If the IPC Share issuance resolution is not approved by IPC shareholders, the Arrangement cannot be completed.</p> <p><i>BlackPearl Securityholder Approval</i></p> <p>Pursuant to the terms of the interim order, the BlackPearl arrangement resolution must, subject to further order of the court, be approved by:</p> <ul style="list-style-type: none"> (a) not less than two-thirds (66⅔%) of the votes cast on the BlackPearl Arrangement resolution by BlackPearl securityholders, voting together as a single class, present in person or represented by proxy at the BlackPearl securityholders' meeting; and (b) not less than a simple majority of the votes cast on the BlackPearl Arrangement resolution by BlackPearl shareholders present in person or represented by proxy at the BlackPearl securityholders' meeting after excluding the votes cast by those persons whose votes are required to be excluded under MI 61-101. <p>It is expected that the votes in respect of an aggregate of 32,414,696 BlackPearl Shares, representing approximately 9.61% of the outstanding</p>
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		<p>BlackPearl Shares, will be excluded pursuant to MI 61-101 for the purpose of determining approval of the BlackPearl arrangement resolution.</p> <p>In addition, pursuant to and in accordance with the policies of the TSX, BlackPearl will be required to obtain the approval of the BlackPearl arrangement resolution by a majority of the votes cast by the BlackPearl shareholders present in person or represented by proxy at the BlackPearl securityholders' meeting.</p> <p>If the BlackPearl arrangement resolution is not approved, the Arrangement cannot be completed.</p> <p>After the IPC Share Issuance Resolution has been completed by the issue of the new IPC Shares and once the Arrangement has been completed, IPC will issue a press release including information on the completion of the Arrangement and the results of its issuance of new IPC Shares. IPC will also issue a press release at the end of the calendar month during which IPC issued the new IPC shares pursuant to the Arrangement stating the total number of new IPC Shares.</p>
E.4	<i>Interests material to the offer</i>	Not applicable.
E.5	<i>Seller / lock-up arrangements</i>	<p>Each of Nemesia S.à.r.l. and the directors and officers of IPC has agreed not to, directly or indirectly, sell, transfer, convey, assign or otherwise dispose of any IPC Shares held by them, except with the prior written approval of IPC, during the period commencing on the effective date of the Arrangement (the "Effective Date") and ending on the date that is six months following the Effective Date.</p> <p>In addition, each of Lorito Holdings S.à.r.l., Zebra Holdings and Investments S.à.r.l., Burgundy Asset Management Ltd. and each of the directors and executive officers of BlackPearl have agreed not to, directly or indirectly, sell, transfer, convey, assign or otherwise dispose of any IPC Shares held or acquired under the Arrangement by them, except with the prior written approval of IPC, during the period commencing on the Effective Date and ending on the date that is six months following the Effective Date.</p>
E.6	<i>Dilution</i>	If the Arrangement is completed, IPC will issue up to a maximum of 81,157,106 new IPC Shares to the BlackPearl Shareholders on a fully diluted basis, resulting in IPC having up to 169,078,952 IPC Shares outstanding at completion of the Arrangement. This will lead to a dilution of existing IPC Shareholders' ownership of approximately 48 percent. ¹
E.7	<i>Expenses charged to the investor</i>	Not applicable. No expenses will be charged to or incurred by the investor due to the Arrangement.

PROSPEKTSAMMANFATTNING

Nedanstående text är en översättning av den engelska originaltexten ovan. Vid avvikelser mellan den svenska översättningen och den engelska originalversionen ska den engelska originalversionen äga företräde.

Följande är en sammanfattning av detta prospekt och ska läsas tillsammans med den mer detaljerade informationen och de finansiella uppgifterna och uttalandena som finns på andra ställen i prospektet.

¹ Calculated by dividing the number of new IPC Shares with the number of outstanding IPC Shares after the issue of the new IPC Shares.

Sammanfattningen omfattar information som enligt svensk rätt måste offentliggöras (s.k. "Punkter"). Punkterna är numrerade i avsnitt A – E (A.1 – E.7). Samtliga Punkter listas även om de inte är tillämpliga på omständigheterna. Eftersom inte samtliga Punkter behöver adresseras kan det förekomma luckor i numreringen av Punkterna. När en viss Punkt listas i sammanfattningen trots att det inte finns någon relevant information att ange följs Punkten av kommentaren "Ej tillämplig".

Avsnitt A – Introduktion och varningar		
A.1	<i>Introduktion och varningar</i>	<p>Denna sammanfattning bör läsas som en introduktion till prospektet.</p> <p>Varje beslut om att investera i International Petroleum Corporations ("IPC" eller "Bolaget", varmed hänvisning till Bolaget inkluderar IPC:s dotterbolag om sammanhanget så kräver, dock syftar "Koncernen", alltid till IPC (som moderbolag) och dess dotterbolag) aktier ("Aktierna") ska baseras på investerarens bedömning av prospektet i dess helhet.</p> <p>Om ett yrkande avseende informationen i prospektet anförs vid domstol kan den investerare som är käreande, i enlighet med Europeiska unionens medlemsstaters nationella lagstiftning, bli skyldig att svara för kostnaderna för översättning av prospektet innan det rättsliga förfarandet inleds.</p> <p>Civilrättsligt ansvar kan enbart åläggas de personer som lagt fram sammanfattningen, inklusive översättningar därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av prospektet eller om den inte, tillsammans med andra delar av prospektet, ger nyckelinformation för att hjälpa investerare som överväger att investera i sådana värdepapper.</p>
A.2	<i>Finansiella mellan-händer</i>	Ej tillämplig. Finansiella mellanhänder har ingen rätt att nyttja prospektet för efterföljande återförsäljning eller slutlig placering av värdepapper.
Avsnitt B – Emittent och eventuella garantigivare		
B.1	<i>Registrerad firma och handels-beteckning</i>	Bolagets registrerade firma och handelsbeteckning är International Petroleum Corporation.
B.2	<i>Säte, bolagsform, bildningsland</i>	Bolaget har sitt säte i British Columbia, Kanada. Bolaget är ett publikt aktiebolag bildat (Eng: <i>incorporated</i>) i enlighet med <i>Business Corporations Act</i> (British Columbia) med organisationsnummer BC1103721.
B.3	<i>Huvudsaklig verksamhet</i>	<p>Bolaget bildades den 13 januari 2017 med syftet att förvärva samtliga olje- och gasprospekterings och produktionstillgångar, samt relaterade tillgångar, från Lundin Petroleum AB ("Lundin Petroleum"). Dessa tillgångar är belägna i Malaysia, Frankrike och Nederländerna ("Initiala Olje- och Gastillgångarna") och ägs av olika dotterbolag till Lundin Petroleum. Överlåtelsen av de Initiala Olje- och Gastillgångarna verkställdes genom en intern omorganisation i Lundin Petroleum enligt vilken bl.a. Bolaget blev direkt eller indirekt ägare av ett antal av Lundin Petroleums dotterbolag ("Omorganisationen"). I januari 2018 slutförde Bolaget förvärvet av Suffieldområdets olje- och gastillgångar i södra Alberta, Kanada ("Suffieldtillgångarna" eller "Olje- och Gastillgångarna i Kanada", medan förvärvet av de tillgångarna hänvisas till som "Suffieldförvärvet"). Initiala Olje- och Gastillgångarna tillsammans med Olje- och Gastillgångarna i Kanada hänvisas till som "Olje- och Gastillgångarna". Den 10 oktober 2018 offentliggjorde IPC och BlackPearl att IPC och BlackPearl ingått ett "arrangement agreement" (ett avtal om ett bolagsrättsligt arrangemang) ("Avtalet") enligt vilket IPC ska förvärva samtliga av BlackPearls utestående stamaktier ("BlackPearl Aktier"). Enligt avtalet för den föreslagna "plan of arrangement" (arrangemangsplanen) ("Arrangemanget") har innehavare av BlackPearl Aktier ("BlackPearl Aktieägare") rätt att erhålla 0,22 IPC aktier för varje BlackPearl Aktie som innehas.</p>

		<p>När Arrangemanget slutförs förväntas nuvarande innehavare av IPC aktier tillsammans äga ca 54 %, och f.d. BlackPearl Aktieägare tillsammans äga ca 46 % av de då utestående IPC aktierna</p> <p>Bolagets huvudsakliga verksamhet är prospektering, utbyggnad och produktion av olja och gas. Bolaget har en portfölj av olje- och gasproduktionstillgångar och utbyggnadsprojekt i Kanada, Malaysia och Europa med exponering mot tillväxtmöjligheter. Sedan noteringen av Aktierna den 24 april 2017 vid Toronto Stock Exchange ("TSX") i Kanada och vid Nasdaq First North och därefter på Nasdaq Stockholm i Sverige har IPC fokuserat på att leverera hög kvalitet i den operativa verksamheten, visa finansiell förmåga, maximera värdet av Bolagets resursbas och att uppnå tillväxt genom förvärv. IPC:s ledning hade från början en vision och en strategi att använda Bolaget som en plattform för att bygga ett internationellt utvinningsbolag fokuserat på att skapa ett långsiktigt värde för Bolagets aktieägare, lanserat vid en fördelaktig tidpunkt i industricykeln för att förvärva och växa en betydande resursbas.</p>								
B.4a	<i>De senaste trenderna i branschen</i>	<p>Olje- och gasindustrin fortsätter att vara dynamisk till följd av globala makroekonomiska trender, innefattande global tillgång till oljelager, transporteringskostnader, amerikansk produktion av skifferolja, ett växande marknadsbehov, och produktionskvoter införda av Organization of the Petroleum Exporting Countries ("OPEC"). Som ett resultat av det ökade utbudet och nedgången i tillväxten på efterfrågan föll oljepriset från en topp på cirka 115 USD/bbl i juni 2014 till 26 USD/bbl i januari 2016. Sedan dess har oljepriset varit volatilt. Från och med mitten av 2016 fram till slutet av 2017 har oljepriset legat runt 50 USD/bbl och har sedan fluktuerat mellan 60 och 85 USD/bbl under 2018.</p> <p>Ledningen tror att den senaste tidens låga oljepris har medfört att flera prospekterings- och produktionsbolag fått likviditetsproblem och därför tvingats avyttra tillgångar, samtidigt som det låga oljepriset begränsat möjligheten för konkurrenter, med ansträngda balansräkningar, att förvärva sådana tillgångar. Ledningens senaste erfarenheter indikerar att de största oljebolagen och de stora internationella olje- och gasbolagen i allt högre grad fokuserar på större volymer i nya frontområden, inte långlivade tillgångar, tillgångar med låg produktionsminskningsgrad i etablerade områden, och att de kommer att fortsätta minska sina innehav av högkvalitativa tillgångar för att infria sina offentliga avyttringsåtaganden.</p> <p>Olje- och Gastillgångarna har enligt förväntan fortsatt att prestera väl under 2018 och med en utmärkt anläggningsdrifttid.</p>								
B.5	<i>Koncernstruktur</i>	<p>Bolaget är det kanadensiska (British Columbia) moderbolaget i en koncern. Koncernen består av 27 av Bolaget direkt eller indirekt ägda dotterbolag i Kanada, Frankrike, Malaysia, Nederländerna och Schweiz (varigenom 11 av dotterbolagen antingen är inaktiva eller under likvidation).</p>								
B.6	<i>Anmälningspliktiga innehav, olika röststyrka och kontrollinnehav</i>	<p>Enligt Bolagets kännedom äger eller kontrollerar ingen fysisk eller juridisk person, direkt eller indirekt, mer än 10 % av de emitterade och utestående Aktierna, bortsett från vad som anges nedan:</p> <table border="1"> <thead> <tr> <th>Namn</th> <th>Ägarskap</th> <th>Antal aktier⁽²⁾</th> <th>Procentandel av Aktier⁽²⁾</th> </tr> </thead> <tbody> <tr> <td>Nemesia S.à.r.l.⁽¹⁾</td> <td>Registrerat</td> <td>28 062 512</td> <td>31,92 %</td> </tr> </tbody> </table> <p>Fotnoter:</p> <p>(1) Lorito Holdings S.a.r.l. och Zebra Holdings och Investments S.a.r.l., två privata bolag vilka kontrolleras av en trust som har stiftats av den bortgångne Adolf H. Lundin, innehar tillsammans 100 % av de utestående Klass C aktierna i Nemesia och kontrollerar Nemesia.</p> <p>(2) Alla Aktier innehar samma rösträtt.</p>	Namn	Ägarskap	Antal aktier ⁽²⁾	Procentandel av Aktier ⁽²⁾	Nemesia S.à.r.l. ⁽¹⁾	Registrerat	28 062 512	31,92 %
Namn	Ägarskap	Antal aktier ⁽²⁾	Procentandel av Aktier ⁽²⁾							
Nemesia S.à.r.l. ⁽¹⁾	Registrerat	28 062 512	31,92 %							
B.7	<i>Historisk finansiell</i>	<p>Den finansiella informationen som redovisas nedan härrör från de reviderade och konsoliderade finansiella rapporterna för räkenskapsåren som avslutades den 31 december 2017 respektive 2016, Lundin Petroleums speciellt framtagna, reviderade och konsoliderade finansiella rapporter avseende de Initiala Olje- och</p>								

information i sammandrag

Gastillgångarna för räkenskapsåret som avslutades den 31 december 2015 (tillsammans "Finansiella Årsinformationen") och från den oreviderade konsoliderade finansiella delårsinformationen för de tre- och niomånadersperiod som slutade den 30 september 2018 och 2017 ("Finansiella Delårsinformationen"). Finansiella Årsinformationen och Finansiella Delårsinformationen benämns i det följande tillsammans som "Finansiella Informationen". Finansiella Årsinformationen, som har reviderats av Bolagets revisor, PricewaterhouseCoopers AG, som indikerat i dennes rapport och den Finansiella Delårsinformationen, som har granskats av Bolagets revisor, PricewaterhouseCoopers AG, som indikerat i dennes rapport, har upprättats i enlighet med International Financial Reporting Standards ("IFRS") som antagits av International Accounting Standards Board ("IASB"). Vad gäller den Finansiella Delårsinformationen har PricewaterhouseCoopers AG rapporterat att de har tillämpat begränsade förfaranden i enlighet med standarden för översiktliga granskningsuppdrag (ISRE 2410) Deras granskningsrapport anger dock att de inte har reviderat och att de inte uttalar sig om den Finansiella Delårsinformationen. Följaktligen bör graden av tilltro till deras rapport om sådan information begränsas i ljust av den begränsade omfattningen av det tillämpade granskningsförfarandet. Avvikelser med anledning av avrundningar kan förekomma i samtliga tabeller.

Finansiella Årsinformationen för 2015 utelämnar den del av verksamheten som har upphört, eftersom dessa speciellt framtagna rapporter upprättades för avknoppningen och var därför endast avsedda att visa resultaten av den pågående verksamheten. I enlighet med tillämpliga redovisningsprinciper inkluderar 2016 och 2017 Finansiella Årsinformationen och Finansiella Delårsinformationen vissa separata poster relaterade till den verksamhet som upphört. Det kan därför förekomma vissa diskrepanser vid en jämförelse av 2015 Finansiella Årsinformationen med 2016 och 2017 Finansiella Årsinformationen samt Finansiella Delårsinformationen.

Koncernens resultaträkning

	Oreviderat	Oreviderat	Reviderat	Reviderat	Reviderat
Belopp i tusen USD	jan – sep 2018	jan – sep 2017	RA 2017	RA 2016	RA 2015
Intäkter	342 545	148 354	203 001	209 880	172 094
Kostnad för sålda varor					
Produktionskostnader	(127 046)	(47 063)	(64 437)	(59 155)	(41 474)
Substansminskningar och nedläggningskostnader	(71 006)	(40 549)	(54 555)	(85 187)	(92 573)
Avskrivningar av övriga tillgångar	(23 538)	(23 713)	(31 629)	(31 073)	(23 685)
Kostnader för prospektering och verksamhetsutveckling	(402)	(1 906)	(3 786)	(14 141)	(37 638)
Nedskrivningar	–	164	164	(125 963)	(191 758)
Bruttoresultat	120 553	35 287	48 758	(105 639)	(215 034)
Övriga intäkter	–	–	–	4 804	–
Försäljning av tillgångar	–	–	–	(3 452)	–
Generella-, administrations- och avskrivningskostnader	(9 912)	(6 325)	(10 400)	(1 931)	(18 046)
Rörelseresultat före finansiella poster	110 641	28 962	38 358	(106 218)	(233 080)
Finansiella intäkter	889	79	94	19 132	54 337
Finansiella kostnader	(28 381)	(12 795)	(15 001)	(3 747)	(3 826)
Finansiella poster, netto	(27 492)	(12 716)	(14 907)	15 385	50 511

Resultat före skatt	83 149	16 246	23 451	(90 833)	(182 569)
Inkomstskatt	(8 851)	(2 500)	(728)	(4 887)	1 004
Periodens resultat	74 298	13 746	22 723	(95 720)	(181 565)
Nettoresultat hänförligt till:					
Bolagets aktieägare	74 277	13 741	22 718	(95 728)	(181 571)
Innehav utan bestämmande inflytande	21	5	5	8	6
	74 298	13 746	22 723	(95 720)	(181 565)
Vinst per aktie – USD ¹	0.84	0.13	0,23	(0,84)	(1,60)
Vinst per aktie efter utspädning – USD ¹	0.83	0.13	0,23	(0,84)	(1,60)
¹ För jämförelsens skull har Bolagets aktier som utfärdades under avknopningen antagits varit utestående vid början av varje period för avknopningen.					
Koncernens rapport över totalresultatet					
	Oreviderat	Oreviderat	Reviderat	Reviderat	Reviderat
Belopp i tusen USD	jan – sep 2018	jan – sep 2017	RÅ 2017	RÅ 2016	RÅ 2015
Resultat	74 298	13 746	22 723	(95 720)	(181 565)
Övrigt totalresultat:					
Poster som kan omklassificeras till resultaträkningen:					
Kassaflödessäkringar	(1 686)	–	1 292	–	–
Valutakursdifferenser	(2 457)	(5 116)	(3 374)	–	10 034
Summa totalresultat	70 155	8 630	20 641	(95 720)	(171 531)
Summa totalresultat hänförligt till:					
Bolagets aktieägare	70 138	8 611	20 620	(95 728)	(171 537)
Innehav utan bestämmande inflytande	17	19	21	8	6
	70 155	8 630	20 641	(95 720)	(171 531)
Koncernens balansräkning					
	Oreviderat	Oreviderat	Reviderat	Reviderat	Reviderat
Belopp i tusen USD	30 sep 2018	30 sep 2017	31 dec 2017	31 dec 2016	31 dec 2015
TILLGÅNGAR					
Anläggnings-tillgångar					
Prospekterings- och utvärderings-tillgångar	9 151	7 426	7 380	2 904	137 221
Fasta/materiella tillgångar, fabriker och utrustning, netto	690 709	306 157	312 401	317 808	382 918
Övriga materiella anläggnings-tillgångar, netto	99 044	130 339	123 051	152 157	186 612
Finansiella tillgångar	3	5	5	5	5
Uppskjutna skattefordringar	2 796	10 595	12 398	12 049	12 331

Summa anläggnings-tillgångar	801 703	454 522	455 235	484 923	719 087
Omsättnings-tillgångar					
Lager	27 644	21 740	24 611	25 067	31 005
Kundfordringar och andra fordringar	74 440	77 224	74 794	48 226	40 629
Derivatinstrument	28	–	1 372	–	–
Kortfristiga skattefordringar	7 182	22	20	406	3 470
Likvida medel	8 135	17 759	33 679	13 410	24 373
Summa omsättnings-tillgångar	117 429	116 745	134 476	87 109	99 477
SUMMA TILLGÅNGAR	919 132	571 267	589 711	572 032	818 564
EGET KAPITAL OCH SKULDER					
Eget kapital hänförligt till aktieägare	376 660	294 083	307 166	405 348	592 889
Innehav utan bestämmande inflytande	(207)	(226)	(224)	(252)	(277)
Eget nettokapital hänförligt till aktieägare / nettoinvestering i Bolaget	376 453	293 857	306 942	405 096	592 612
Långsiktiga skulder					
Finansiella åtaganden	216 891	64 020	59 267	–	–
Avsättningar	174 501	99 107	105 887	93 581	113 661
Uppskjutna skatteskulder	58 799	53 213	53 943	46 616	49 316
Summa långfristiga skulder	450 191	216 340	219 097	140 197	162 977
Kortfristiga skulder					
Leverantörsskulder och andra skulder	76 185	55 617	57 388	22 924	62 530
Avsättningar	13 640	5 304	6 025	3 815	–
Derivatinstrument	460	–	–	–	–
Kortfristiga skatteskulder	2 203	149	259	–	445
Summa kortfristiga skulder	92 488	61 070	63 672	26 739	62 975
SUMMA EGET KAPITAL OCH SKULDER	919 132	571 267	589 711	572 032	818 564
Koncernens kassaflödesanalys					
	Oreviderat	Oreviderat	Reviderat	Reviderat	Reviderat
Belopp i tusen USD	jan – sep 2018	jan – sep 2017	RÅ 2017	RÅ 2016	RÅ 2015
Kassaflöde från verksamheten					
Periodens resultat	74 298	13 746	22 723	(95 720)	(181 565)
Justeringar för ej kassaflödespåverkande poster:					
Substansminskningar, avskrivningar och amorteringar	94 966	65 172	87 162	117 510	117 403

Prospekteringskostnader	206	30	917	14 141	37 638
Nedskrivningar	–	(164)	(164)	125 963	191 758
Aktuell skatt	(5 197)	79	196	(2 199)	1 699
Uppskjuten skatt	14 048	2 421	532	7 086	(2 703)
Kapitaliserade finansieringsavgifter	2 525	405	700	–	–
Valutakursdifferenser	7 715	8 719	8 922	(19 070)	(53 621)
Räntekostnader	11 820	720	1 378	8	19
Resultat från försäljningen av Singafältet, Indonesien	–	–	–	3 452	–
Förändring i nuvärdet av skyldighet att utrangera tillgångar	7 035	2 641	3 674	3 571	3 174
Betalda nedläggningskostnader	(5 976)	(4 251)	(5 169)	(9 710)	–
Aktierelaterade kostnader	2 799	2 150	3 224	–	1 015
Övrigt	444	(613)	(1 058)	1 608	–
Rörelsegenererat kassaflöde (före justering för rörelsekapital och inkomstskatt)	204 683	91 055	123 037	146 640	114 817
Förändringar i rörelsekapital	22 767	18 828	20 344	(51 790)	(44 252)
Betald ränta	(11 843)	–	–	–	(4)
Betald inkomstskatt	–	469	476	4 880	(3 044)
Nettokassaflöde från rörelsen	215 607	110 352	143 857	99 730	66 777
Kassaflöde från investeringar					
Investering i olje- och gastillgångar	(22 677)	(11 077)	(23 077)	(34 905)	(177 055)
Investeringar i övriga anläggningstillgångar	(936)	(123)	(546)	1 724	(31 122)
Deposition för företagsförvärv	–	(32 632)	(32 632)	–	–
Förvärv av Suffieldtillgångarna	(373 375)	–	–	–	–
Avyttring av anläggningstillgångar	–	–	–	23 770	–
Andra betalningar	(620)	–	–	(206)	(2 976)
Nettokassa (utflöde) från investeringar	(397 608)	(43 832)	(56,255)	(9,617)	(211,153)
Kassaflöde från finansiering					
Upptagna lån	162 513	65 000	60 000	–	–
Betalda finansieringsavgifter	(6 425)	(1 329)	(1 391)	–	–
Kassa finansierat från / (till) Lundin Petroleum	–	(31 394)	(31 394)	(102 774)	134 893
Aktieförvärv	–	(90 632)	(90 632)	–	–
Nettokassa (utflöde) från finansiering	156 088	(58 355)	(63 417)	(102 774)	134 893
Förändring av likvida medel	(25 913)	8 165	24 185	(12 661)	(9 483)
Likvida medel vid periodens början	33 679	13 410	13 410	29 488 ¹	25 108
Valutakursdifferens i likvida medel	369	(3 816)	(3 916)	(3 417)	8 748
Likvida medel vid periodens slut	8 135	17 759	33 679	13 410	24 373⁽¹⁾
<i>(1) Skillnaden mellan likvida medel vid slutet av RÅ 2015 och början av RÅ 2016 är ett resultat av avknopningen och härrör från den avvecklade verksamheten.</i>					

Nyckeltal

	Oreviderat	Oreviderat	Reviderat	Reviderat	Reviderat
Belopp i tusen USD	jan – sep 2018	jan – sep 2017	RÅ 2017	RÅ 2016	RÅ 2015
Intäkter	342 545	148 354	203 001	209 880	172 094
Bruttovinst/(förlust)	120 553	35 287	48 758	(105 639)	(215 034)
Nettoresultat	74 298	13 746	22 723	(95 720)	(181 565)
Operativt kassaflöde ¹	220 696	101 212	138 368	152 924	128 921
EBITDA ¹	206 009	95 876	129 259	150 043	113 720
Nettoskulsättningsgrad ¹	213 217	47 241	26 321	(13 410)	(24 373)

¹ Alternativa nyckeltal (oreviderat)

Bolaget använder alternativa nyckeltal (Eng. *Non-IFRS measures*) i syfte att tillhandahålla kompletterande information till investerare. Ledningen använder också dessa alternativa nyckeltal internt för att underlätta jämförelser av verksamhetens prestationer mellan olika perioder, förbereda årliga driftbudgetar and bedöma Bolagets förmåga att möta framtida kapitalutgifter och rörelsekapitalbehov. Bolagets ledning anser att dessa alternativa nyckeltal är ett viktigt komplement för att bedöma verksamhetens prestation, eftersom de belyser trender i kärnverksamheten som annars inte tydliggörs om endast nyckeltal enligt IFRS används. Ledningen anser att dessa alternativa nyckeltal ger ett underlag för bedömning av Bolagets verksamhet och finansiella situation som är mer konsekvent och enklare att jämföra mellan olika rapporteringsperioder. Vidare tror Bolaget att värdepappersanalytiker, investerare och andra intressenter regelbundet använder alternativa nyckeltal för att bedöma emittenter.

"Operativt kassaflöde" beräknas genom att nettointäkterna justeras mot produktionskostnaderna och aktuell skatt. Ledningen anser att det operativa kassaflödet kan användas för att analysera mängden likvida medel tillgängligt för kapitalinvesteringar och förvaltning av skulder.

"Driftkostnader" beräknas genom att produktionskostnaderna utan någon förändring i lagersaldot och kostnad för blandning och används för att analysera de rörliga kostnaderna för att producera olje- och gasvolymerna.

"EBITDA" beräknas på en per boe basis som rörelseresultat före finansiella poster, skatter, förbrukning av olje- och gasanläggningar, prospekteringskostnader, kostnader för ned- och avskrivningar och justerat för icke återkommande resultat (profit/loss) vid försäljning av tillgångar. Ledningen anser att EBITDA är ett viktigt kompletterande mått av operativ prestanda för att analysera rörelseintäkter före kostnader vilka inte är hänförliga till driften och icke-likvida medel eller extraordinära belastningar.

"Nettoskulsättningsgrad" beräknas genom att banklån justeras mot likvida medel. "Nettokassa" beräknas genom att likvida medel justeras mot banklån. Ledningen anser att nettoskulsättningsgrad/nettokassa är ett användbart mått på ett företags skuldposition för att analysera hävstångseffekter och kapitalfördelningsbeslut.

Avstämningar av alternativa nyckeltal

Operativt kassaflöde

Följande tabell utvisar hur det operativa kassaflödet beräknats genom siffror som framgår i den Finansiella Informationen:

	Oreviderat	Oreviderat	Reviderat	Reviderat	Reviderat
Belopp i tusen USD	jan – sep 2018	jan – sep 2017	RÅ 2017	RÅ 2016	RÅ 2015
Intäkter	342 545	148 354	203 001	209 880	172 094

Produktionskostnader	(127 046)	(47 063)	(64 437)	(59 155)	(41 474)
Aktuell skatt	5 197	(79)	(196)	2 199	(1 699)
Operativt kassaflöde (oreviderat)	220 696	101 212	138 368	152 924	128 921

EBITDA

Följande tabell utvisar hur EBITDA beräknats genom siffror som framgår i den Finansiella Informationen:

Belopp i tusen USD	Oreviderat	Oreviderat	Reviderat	Reviderat	Reviderat
	jan – sep 2018	jan – sep 2017	RÅ 2017	RÅ 2016	RÅ 2015
Rörelseresultat	74 298	13 746	22 723	(95 720)	(181 565)
Finansiella poster, netto	27 492	12 716	14 907	(15 385)	(50 511)
Inkomstskatt	8 851	2 500	728	4 887	(1 004)
Substansminskningar	71 006	40 549	54 555	85 187	92 573
Avskrivningar av andra tillgångar	23 538	23 713	31 629	31 073	23 685
Kostnader för prospektering och verksamhetsutveckling	402	1 906	3 786	14 141	37 638
Kostnader för nedskrivningar	–	(164)	(164)	125 963	191 758
Av- och nedskrivningar inkluderade i allmänna administrations- och avskrivningskostnader ¹	422	910	1 095	1 249	1 146
Försäljning av tillgångar (icke återkommande)	–	–	–	3 452	–
Andra intäkter	–	–	–	(4 804)	–
EBITDA (oreviderat)	206 009	95 876	129 259	150 043	113 720

¹ Denna post framgår inte i den Finansiella Informationen (oreviderat)

Driftkostnader

Följande tabell utvisar hur driftkostnader beräknats:

Belopp i tusen USD	Oreviderat	Oreviderat	Reviderat	Reviderat	Reviderat
	jan – sep 2018	jan – sep 2017	RÅ 2017	RÅ 2016	RÅ 2015
Produktionskostnader	127 046	47 063	64 437	59 155	41 474
Kostnad för blandning ¹	(19 834)	–	–	–	–
Förändringar i lagersaldo	6 480	(4 583)	(3 688)	994	9 776
Driftkostnader (oreviderat)	113 692	42 480	60 749	60 149	51 250

¹ Kostnad för blandning representerar det upphandlade utspädningsmedlet för blandning, netto, efter intäkter från försäljning av överflödigt utspädningsmedel.

Nettoskuld / (nettokassa)

Följande tabell utvisar hur nettoskuld / (nettokassa) beräknats genom siffror som framgår i den Finansiella Informationen:

	Oreviderat	Oreviderat	Reviderat	Reviderat	Reviderat
Belopp i tusen USD	30 sept 2018	30 sept 2017	31 december 2017	31 december 2016	31 december 2015
Banklån	221 352	65 000	60 000	– ¹	– ¹
Likvida medel	(8 135)	(17 759)	(33 679)	(13 410)	(24 373)
Nettoskuld / (nettokassa) (oreviderat)	213 217	47 241	26 321	(13 410)	(24 373)

¹ IPC delades ut från Lundin Petroleum utan externa banklån

Väsentliga förändringar från den 1 januari 2015 till den 30 september 2018

Det globala oljepriset föll kraftigt under 2015 vilket resulterade i att det genomsnittliga marknadspriset på Brentolja låg på 52 USD/bbl. Priserna var fortsatt låga under 2016 och 2017 och det genomsnittliga priset på Brentolja låg på 43 USD/bbl under 2016 och 54 USD/bbl under 2017. Detta påverkade intäkterna från Olje- och Gastillgångarna.

Under april 2015 startade Bertamfältet sin produktion, vilket medförde en betydande ökning av de rapporterade produktionsvolymerna och intäkterna från Initiala Olje- och Gastillgångarna, samt ökade produktions- och nedläggningskostnaderna vid uppstartandet av den nya verksamheten. Under april 2015 började även en s.k. *floating production, storage and offloading unit* ("FPSO"), som användes på Bertamfältet ("FPSO:n Bertam"), att skrivas ned genom att det bokförda värdet skrivs av linjärt över den sexårsperiod som leasingavtalet gäller.

Det lägre oljepriset medförde nedskrivningar i resultaträkningen 2015, som inte påverkade likvida medel, relaterade till Bertamfältet om 165,9 miljoner USD före skatt (141,3 miljoner USD efter skatt) och ytterligare 25,9 miljoner USD före och efter skatt, som inte påverkade likvida medel, relaterade till andra malaysiska prospekteringsblock. Under 2016 kostnadsfördes en nedskrivning, som inte påverkade likvida medel, i resultaträkningen om 126 miljoner USD utan någon korresponderande skattekredit relaterad till gjorda gasfyndigheter i Malaysia. Inga väsentliga nedskrivningar kostnadsfördes under 2017.

Omorganisationen, varigenom IPC anskaffade de Initiala Olje- och Gastillgångarna, och utdelningen, varigenom Lundin Petroleum delade ut Aktierna i IPC till sina aktieägare, slutfördes under april 2017 och IPCs Aktier började handlas på Torontobörsen och Nasdaq First North den 24 april 2017.

I september 2017 offentliggjorde IPC Suffieldförvärvet. Suffieldförvärvet slutfördes den 5 januari 2018. Den justerade nettoköpeskillingen vid closing var 449 miljoner CAD. Ytterligare 12 miljoner CAD betalades vid slutet av juni 2018. I tillägg till detta kan vissa begränsade, tillkommande eventualbetalningar utfalla baserat på priserna av olja och naturgas.

Suffieldförvärvet finansierades till fullo av intergenererat kassaflöde och existerande och nya lånefaciliteter. Förvärvsfinansieringspaketet, bestående av en ökning i den reservbaserade lånefaciliteten från 100 miljoner USD till 200 miljoner USD och nya kreditfaciliteter om 310 miljoner CAD, garanterades av BMO Capital Markets. Efter genomförandet av Suffieldförvärvet hade Koncernen en nettoskuldssättningsgrad om cirka 355 miljoner USD.

I december 2017 offentliggjorde IPC att borring av den första av två planerade kompletterande borringar hade inletts på Bertamfältet, utanför Malaysias kust. Båda kompletterande borringarna var slutförda och satta på produktion i början av 2018.

		<p>I februari 2018 offentliggjorde IPC att FPSO Bertam, efter ansökan hos de relevanta malaysiska myndigheterna, registrerats som ett fartyg under malaysisk flagg under gällande malaysiskt marinreglemente.</p> <p>I februari 2018 offentliggjorde IPC även att 2018 produktionsvägledning är 30 000 till 34 000 boepd, med driftskostnader för 2018 förväntas till 12,6 USD/boe. IPC:s kapitalutgiftsbudget för 2018 är 32 miljoner USD, med huvudsakligt fokus på produktionstillväxt i Kanada och Malaysia. Koncernen har avsatt cirka 11 miljoner USD för oljeborrning i Suffield och cirka 14 miljoner USD som övergångskostnader hänförliga till den kompletterande borrhningskampanjen i Malaysia 2017-2018, med resterande belopp avsett på fortsatta projekterings-, underhålls- och optimeringsaktiviteter i Frankrike och Nederländerna.</p> <p>I maj 2018 offentliggjorde IPC beslutet att bevilja ytterligare kapitalutgifter om 6,5 miljoner USD (netto) för att borra Keruingprospektet (tidigare I35) i Malaysia i slutet av 2018, villkorat av Petronas godkännande och riggkontrakt.</p> <p>I juni 2018 offentliggjorde IPC att Aktierna började handlas på Nasdaq Stockholm.</p> <p>I augusti 2018 offentliggjorde IPC en ändrad guidning rörande produktionen för 2018 från 32 500 till 34 000 boepd efter ett starkt första halvår. IPC ökade också budgeten för investeringar 2018 till 44 miljoner USD, vilket främst berodde på ökningen av gasoptimeringen i Kanada. IPC offentliggjorde också att nettoskulden hade minskat till USD 255 miljoner per 30 juni 2018 och att en av bolagets kreditfaciliteter var fullt återbetald.</p> <p>Väsentliga förändringar efter den 30 september 2018</p> <p>Den 10 oktober 2018 offentliggjorde IPC och BlackPearl att IPC och BlackPearl ingått Arrangemanget enligt vilket IPC ska förvärva samtliga BlackPearl Aktier. Enligt Arrangemanget, har BlackPearl Aktieägare rätt att erhålla 0,22 IPC Aktier för varje BlackPearl Aktie som innehas.</p> <p>I november 2018 offentliggjorde IPC att nettoskulden minskat till 213 miljoner USD per 30 september 2018.</p> <p>Vid slutförandet av Arrangemanget förväntas nuvarande IPC Aktieägare att inneha ca 54 %, och f.d. BlackPearl Aktieägare att inneha ca 46 % av de då utestående IPC Aktierna.</p> <p>Det har inte skett några andra väsentliga förändringar i Bolagets verksamhet eller finansiella ställning sedan den 30 september 2018 och fram till dagen för detta prospekt.</p>
<p>B.8</p>	<p><i>Utvald proformaredo visning</i></p>	<p>Oreviderad kombinerad och konsoliderad finansiell proforma i sammandrag</p> <p>Den 9 oktober 2018 ingick IPC Avtalet om Arrangemanget rörande förvärvet av BlackPearl i enlighet med Arrangemangsplanen. Den 5 januari 2018 slutförde IPC Suffieldförvärvet.</p> <p>IPC:s nedan oreviderade finansiella proformarapporter i sammandrag har sammanställts av ledningen och reflekterar de förutsatta transaktionerna och antagandena i samband med Arrangemanget och Suffieldförvärvet.</p> <p>Följande tabeller visar den oreviderade konsoliderade proformaredovisningen för IPC för året som slutade 31 december 2017 och per och för niomånadersperioden som slutade 30 september 2018.</p> <p>Den finansiella proformainformationen har sammanställts genom att använda redovisningsprinciper som överensstämmer med de som IPC använder för att ta fram dess konsoliderade redovisning. Proformainformation är till sin natur avsedd att beskriva en hypotetisk situation. Bolaget presenterar endast proformainformationen för illustrativa ändamål, och proformainformationen ska inte ses som en indikation av faktiska vinster eller finansiell position som skulle ha förelegat om transaktioner faktiskt hade skett vid de datum som anges. Vidare ska inte proformainformationen ses som en indikation på Bolagets framtida vinster eller finansiella position.</p>

PricewaterhouseCoopers AG har granskat den oreviderade kombinerade finansiella proformainformationen i enlighet med *International Standard on Assurance Engagements 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, som beskrivs nedan. Det ska dock noteras att varken antagandena, proforma-justeringarna eller den resulterande finansiella proformainformationen har reviderats i enlighet med *International Standards on Auditing* ("ISA"). Investerares som förlitar sig på denna information måste ta detta i beaktande.

Oreviderad proforma, kombinerad och konsoliderad balansräkning per 30 september 2018 i sammandrag

Belopp i tusen USD	Oreviderat IPC	Oreviderat BlackPearl (1)	Oreviderat Proforma- justeringar	Oreviderat IPC proforma
Anläggningstillgångar				
Prospekterings- och utvärderingstillgångar	9 151	138 402	(138 402)	9 151
Fasta/materiella tillgångar, fabriker och utrustning, netto	690 709	539 068	(65 515)	1 164 262
Övriga materiella anläggningstillgångar, netto	99 044	-	-	99 044
Finansiella tillgångar	3	99	-	102
Uppskjutna skattefordringar	2 796	8 903	38 287	49 986
Summa anläggningstillgångar	801 703	686 472	(165 630)	1 322 545
Omsättningstillgångar				
Lager	27 644	168	-	27 812
Kundfordringar och andra fordringar	74 440	15 651	-	90 091
Derivatinstrument	28	38	-	66
Kortfristiga skattefordringar	7 182	-	-	7 182
Likvida medel	8 135	3 044	-	11 179
Summa omsättningstillgångar	117 429	18 901	-	136 330
SUMMA TILLGÅNGAR	919 132	705 373	(165 630)	1 458 875
SKULDER				
Långsiktiga skulder				
Finansiella åtaganden	216 891	94 951	1 106	312 948
Avsättningar	174 501	62 846	(24 942)	212 405
Uppskjutna skatteskulder	58 799	-	-	58 799
Derivatinstrument	-	2 215	-	2 215
Uppskjuten ersättning	-	10 235	-	10 235
Totalt långsiktiga skulder	450 191	170 247	(23 836)	596 602
Kortfristiga skulder				
Leverantörsskulder och andra skulder	76 185	24 947	-	101 132
Avsättningar	13 640	504	-	14 144
Derivatinstrument	460	24,171	-	24,631
Kortfristiga skatteskulder	2 203	-	-	2 203
Omsättningsbar andel av uppskjuten ersättning	-	422	-	422
Totalt kortfristiga skulder	92 488	50 044	-	142 532
EGET KAPITAL				
Eget kapital hänförligt till aktieägare	376 660	485 082	(141 794)	719 948
Innehav utan bestämmande inflytande	(207)	-	-	(207)
Eget kapital hänförligt till aktieägare, netto	376 453	485 082	(141 794)	719 741
TOTALT EGET KAPITAL OCH SKULDER	919 132	705 373	(165 630)	1 458 875

(1) Informationen baseras på BlackPearls oreviderade siffror för perioden i CAD men har konverterats till USD med en växlingskurs USD/CAD om 1,3013.

Oreviderad proforma, kombinerad och konsoliderad resultaträkning för niomånadersperioden som slutade den 30 september 2018 i sammandrag

Belopp i tusen USD	Oreviderat IPC Resultat- räkning	Oreviderat Black- Pearl(1)	Oreviderat Reklassi- ficering	Oreviderat Proforma- justeringar	Oreviderat Proforma IPC
Försäljning av olja och gas	333 672	110 440	-	-	444 112
Förändringar i under- och överuttagsposition	397	-	-	-	397
Andra intäkter	14 213	-	-	-	14 213
Uppskjuten ersättning	-	320	-	-	320
Royalties	(5 737)	(13 424)	-	-	(19 161)
Totala intäkter	342 545	97 336	-	-	439 881

Rörelsekostnader	(95 089)	(35 003)	-	-	(130 092)			
Tariff- och transportkostnader	(12 397)	(6 504)	-	-	(18 901)			
Direkta produktionskatter	(6 206)	-	-	-	(6 206)			
Förändringar i lagersaldo	6 480	-	-	-	6 480			
Övriga kostnader	(19 834)	-	-	-	(19 834)			
Produktionskostnader	(127 046)	(41 507)	-	-	(168 553)			
Rörelseintäkter	215 499	55 829	-	-	271 328			
Kostnader för substansminskning och nedläggning	(71 006)	(26 467)	-	1 906	(95 567)			
Avskrivningar av andra tillgångar	(23 538)	-	-	-	(23 538)			
Kostnader för prospektering och verksamhetsutveckling	(402)	-	-	-	(402)			
Kostnader för nedskrivningar	-	-	-	-	-			
Bruttoresultat	120 553	29 362	-	1 906	151 821			
Förluster på riskhanteringskontrakt	-	(30 925)	-	-	(30 925)			
Aktiebaserad ersättning	-	(3 272)	3 272	-	-			
Av- och nedskrivningar inkluderade i allmänna administrations- och avskrivningskostnader	(9 912)	(5 248)	(3 272)	-	(18 432)			
Resultat före finansiella poster	110 641	(10 083)	-	1 906	102 464			
Finansiella intäkter	889	-	-	-	889			
Valutakursförlust, netto	(6 176)	25	-	-	(6 151)			
Förändring i nuvärdet av skyldigheten att utstränga tillgångar	(7 035)	(1 103)	-	(818)	(8 956)			
Räntekostnader	(11 820)	(3 115)	-	-	(14 935)			
Amortering av låneavgifter	(2 525)	(479)	-	-	(3 004)			
Lånförpliktelser	(583)	-	-	-	(583)			
Andra finansiella kostnader	(242)	-	-	-	(242)			
Netto finansiella poster	(27 492)	(4 672)	-	(818)	(32 982)			
Resultat före skatt	83 149	(14 755)	-	1 088	69 482			
Inkomstskatt	(8 851)	3 177	-	(294)	(5 968)			
Nettoresultat	74 298	(11 578)	-	794	63 514			
Nettoresultat hänförligt till:								
Aktieägare av moderbolaget	74 277	(11 578)	-	794	63 493			
Intressen utan bestämmande inflytande	21	0	-	-	21			
Avkastning per aktie - USD (2)	0,84	-0,03	-	-	0,39			
Avkastning per aktie, fullt utspädd - USD	0,83	-0,03	-	-	0,38			
Volymviktat medeltal av stamaktier								
Grundläggande	87 921 846	336 866 000	-336 866 000	75 600 777	163 522 623			
Utspädd	89 906 745	341 591 000	-341 591 000	75 600 777	165 507 522			
(1) Informationen är baserad på BlackPearls oreviderade siffror för det tredje kvartalet i CAD men för denna proforma har informationen konverterats till USD med en växlingskurs USD/CAD av 1,2875								
(2) Baserat på nettoresultatet hänförligt till aktieägarna av moderbolaget								
Oreviderad proforma, kombinerad och konsoliderad resultaträkning för året som slutade 31 december 2017 i sammandrag								
	Rev- iderat	Rev- iderat	Orev- iderat	Orev- iderat	Orev- iderat	Orev- iderat	Orev- iderat	Orev- iderat
	IPC	Suffield- tillgångarna (3)	Proforma- justeringar med anled- ning av Suffield- förvärvet	IPC proforma efter Suffield- Förvärvet	Black- Pearl(1)	Reklassi- ficering	Proforma- justeringar med anled- ning av BlackPearl	Proforma IPC inkl. både Suffield och Black- Pearl
Belopp i tusen USD								
Försäljning av olja och gas	185 182	185 659	-	370 841	116 535	-	-	487 376

		Förändringar i under- och överuttagsposition	(613)	-	-	(613)	-	-	-	(613)
		Andra intäkter	18 432	-	-	18 432	-	-	-	18 432
		Uppskjuten ersättning	-	-	-	-	423	-	-	423
		Royalties	-	(7 183)	-	(7 183)	(16 275)	-	-	(23 458)
		Totala intäkter	203 001	178 476	-	381 477	100 683	-	-	482 160
		Rörelsekostnader	(53 389)	(54 984)	-	(108 373)	(40 680)	-	-	(149 053)
		Tariff- och transportkostnader	(3 361)	(36 202)	24 172	(15 391)	(6 668)	-	-	(22 059)
		Direkta produktionsskatter	(3 999)	(112)	-	(4 111)	-	-	-	(4 111)
		Förändringar i lagersaldo	(3 688)	-	-	(3 688)	-	-	-	(3 688)
		Övriga kostnader	-	-	(24 172)	(24 172)	-	-	-	(24 172)
		Produktionskostnader	(64 437)	(91 298)	-	(155 735)	(47 348)	-	-	(203 083)
		Rörelseintäkter	138 564	-	-	225 742	53 335	-	-	279 077
		Kostnader för substansminskning och nedläggning	(54 555)	-	(44 315)	(98 870)	(32 372)	-	4 031	(127 211)
		Avskrivningar av andra tillgångar	(31 629)	-	-	(31 629)	-	-	-	(31 629)
		Kostnader för prospektering och verksamhetsutveckling	(3 786)	-	-	(3 786)	-	-	-	(3 786)
		Kostnader för nedskrivningar	164	-	-	164	-	-	-	164
		Bruttoresultat	48 758	-	(44 315)	91 621	20 963	-	4 031	116 615
		Försäljningar av tillgångar	-	-	-	-	855	-	-	855
		Vinster (förluster) på riskhanteringskontrakt	-	-	-	-	(3 557)	-	-	(3 557)
		Aktiebaserad ersättning	-	-	-	-	(1 795)	1 795	-	-
		Av- och nedskrivningar inkluderade i allmänna administrations- och avskrivningskostnader	(10 400)	-	(1 600)	(12 000)	(6 438)	(1 795)	-	(20 233)
		Resultat före finansiella poster	38 358	-	(45 915)	79 621	10 028	-	4 031	93 680
		Finansiella intäkter	94	-	-	94	123	-	-	217
		Valutakursförlust, netto	(8 922)	-	-	(8 922)	(183)	-	-	(9 105)
		Förändring i nuvärdet av skyldigheten att utrangera tillgångar	(3 557)	-	(5 346)	(8 903)	(1 281)	-	(824)	(11 008)
		Räntekostnader	(1 378)	-	(12 285)	(13 663)	(926)	-	-	(14 588)
		Amortering av lånevgifter	(700)	-	(2 748)	(3 448)	(317)	-	-	(3 765)
		Länförpliktelser	(391)	-	(902)	(1 293)	-	-	-	(1 293)
		Andra finansiella kostnader	(53)	-	-	(53)	-	-	-	(53)
		Netto finansiella poster	(14 907)	-	(21 281)	(36 188)	(2 584)	-	(824)	(39 595)
		Resultat före skatt	23 451	-	(67 196)	43 433	7 444	-	3 207	54 085
		Inkomstskatt	(728)	-	(5 395)	(6 123)	5 773	-	(866)	506
		Nettoresultat	22 723	-	(72 591)	37 310	13 218	-	2 341	54 591
		Nettoresultat hänförligt till: Aktieägare av moderbolaget	22 718	-	-	37 305	13 218	-	2 341	54 586
		Intressen utan bestämmande inflytande	5	-	-	5	-	-	-	5
		Avkastning per aktie - USD ⁽²⁾	0,23	-	-	0,38	0,04	-	-	0,31
		Avkastning per aktie, fullt utspädd - USD	0,23	-	-	0,38	0,04	-	-	0,31
		Volymviktat medeltal av stamaktier								
		Grundläggande	98 587 027	-	-	98 587 027	336 230 000	-336 230 000	75 600 777	174 187 804
		Utspädd	99 138 548	-	-	99 138 548	339 555 000	-339 555 000	75 600 777	174 739 325
		<p>(1) BlackPearls finansiella information är reviderad, men i kanadensiska dollar. I syfte att visa denna proforma har de reviderade siffrorna i CAD konverterats till USD med en växlingskurs om USD/CAD av 1,2982</p> <p>(2) Baserat på nettoresultatet hänförligt till aktieägarna av moderbolaget</p> <p>(3) Notera att Suffieldtillgångarnas resultaträkning var reviderad endast till "produktionskostnader". Informationen har konverterats till USD genom användande av medelkursen för året som slutade 31 december 2017 om 1,2982 CAD/USD.</p>								
B.9	Resultatprognos	Ej tillämplig. Prospektet innehåller inga resultatprognoser.								
B.10	Revisorsanmärkningar	Ej tillämplig. Det finns inga revisorsanmärkningar.								

B.11	<i>Otillräckligt rörelsekapital</i>	Ej tillämplig. Styrelsen i Bolaget är av den uppfattningen att Bolagets rörelsekapital är tillräckligt för att täcka Bolagets behov över de kommande tolv månaderna.
Avsnitt C – Värdepapper		
C.1	<i>Värdepapper som upptas till handel</i>	Bolagets nya Aktier som föreslås att godkännas för att emitteras (dvs. upp till 81 157 106 nya Aktier). Aktiernas ISIN-nummer är CA46016U1084.
C.2	<i>Valuta</i>	Aktierna är noterade i kanadensiska dollar.
C.3	<i>Antal aktier i Bolaget</i>	Bolaget har bemyndigats att utfärda ett obegränsat antal Aktier utan nominellt värde, varav 87 921 846 Aktier för närvarande är emitterade och utestående, och ett obegränsat antal preferensaktier klass A, varav 117 485 389 preferensaktier klass A (" Klass A Preferensaktierna ") för närvarande är emitterade och utestående, och ett obegränsat antal preferensaktier klass B (" Klass B Preferensaktierna "), emitterbara i serier, varav inga är emitterade och utestående.
C.4	<i>Rättigheter som sammanhänger med värdepapperna</i>	Innehavare av Aktier har lika rätt till utdelningar, om och när sådana tillkännages av Bolagets styrelse, och i händelse av likvidation att erhålla sådana tillgångar i Bolaget som är utdelningsbara till aktieägarna. Innehavare av Aktier har även rätt att erhålla kallelse till bolagsstämmor i Bolaget och till en röst per aktie vid sådana bolagsstämmor.
C.5	<i>Överlåtelsebegränsningar</i>	Ej tillämplig. Bolagets bolagsordning innehåller inte någon inskränkning i rätten att fritt överlåta Aktierna.
C.6	<i>Upptagande till handel på en reglerad marknad</i>	Bolagets styrelse kommer att ansöka om notering av de nya Aktierna på Nasdaq Stockholm. Första handelsdagen på Nasdaq Stockholm av de nya IPC Aktierna förväntas vara omkring den 21 december 2018. Aktierna är för närvarande upptagna för handel på Torontobörsen och Nasdaq Stockholm under kortnamnet "IPCO".
C.7	<i>Utdelningspolicy</i>	Bolaget förväntar sig i nuläget inte att någon utdelning till aktieägarna kommer att genomföras inom en överskådlig framtid. För närvarande är Bolagets avsikt är att utnyttja sin vinst till att finansiera verksamhetens tillväxt och utveckling eller annars till att återinvestera i affärsverksamheten. Beslut om utdelning kommer i framtiden att fattas av styrelsen i Bolaget på basis av Bolagets resultat och finansiella behov, samt andra omständigheter som är aktuella vid den givna tidpunkten. I det fall Bolaget inte börjar genomföra utdelningar kommer innehavare av Aktier sakna möjlighet till avkastning på sina Aktier, såvida de inte säljer dem.
Avsnitt D – Risker		
D.1	<i>Huvudsakliga risker som är specifika för Bolaget och dess industri</i>	<p>Bolaget är föremål för ett antal risker som ligger helt eller delvis utanför Bolagets kontroll och som påverkar eller kan påverka Bolagets verksamhet, resultat, finansiella ställning och framtidsutsikter. De riskfaktorer som beskrivs nedan, som inte är uttömmande eller beskrivna i någon särskild ordning, är några av de risker Bolaget ställs inför och anses vara nyckelriskerna för Bolagets framtida utveckling:</p> <p>Risker kopplade till prospektering, utbyggnad och produktion: Olje- och gasverksamhet involverar många risker som kanske inte ens en kombination av erfarenhet, kunskap och noggrann bedömning kan överkomma. Bolagets långsiktiga kommersiella framgångar beror på dess förmåga att hitta, förvärva, utveckla och kommersiellt producera olje- och naturgasreserver. Utan ett löpande tillskott av nya reserver kommer Olje- och Gastillgångarnas vid varje given tidpunkt existerande reserver, och produktionen från dessa, att minska över tid allteftersom sådana reserver utvinns. Det finns en risk att ytterligare kvantiteter av olja och gas inte kommer att upptäckas eller förvärvas av Bolaget. Framtida olje- och gasprospektering kan innebära ansträngningar som inte är lönsamma, inte</p>

bara i form av torra brunnar, utan även genom brunnar som producerar olja men inte producerar tillräckligt för att generera en positiv avkastning med hänsyn till kostnaderna för borrning, drift och i övrigt. Slutförandet av en brunn garanterar inte avkastning i förhållande till investeringen eller återbetalning av kostnader för borrning, slutförande och drift. Olje- och gasprospekterings-, utbyggnads- och produktionsverksamhet är föremål för samtliga risker och faror som typiskt sett är förenade med sådan verksamhet, inklusive bränder, explosioner, utblåsningar, kraterbildning, utsläpp av sura gaser eller andra utsläpp, som var och en kan resultera i betydande skada på olje- och naturgasrelaterade brunnar, produktionsanläggningar eller andra tillgångar, samt förorsaka miljö- och personskador. I enlighet med marknadspraxis kommer Bolaget inte fullt försäkra sig mot alla dessa risker, varav inte alla går att försäkra sig mot heller. På grund av dessa riskers natur finns det en risk att förpliktelser med anledning av dessa skulle kunna överstiga försäkringarna, varför Bolaget skulle kunna ådra sig betydande kostnader.

Volatilitet i priset på olja och gas: Priset på, och möjligheten att sälja, oljan och naturgasen som kan förvärfas eller upptäckas av Bolaget påverkas, och kommer att fortsätta påverkas, av ett antal faktorer som ligger utanför Bolagets kontroll. Olje- och gaspriserna har fluktuerat kraftigt under senaste år och kan fortsätta att vara volatila i framtiden. En omfattande eller längre nedgång i olje- och gaspriserna skulle ha en ogynnsam inverkan på balansvärdet av reserverna och resurserna, lånekapacitet, intäkter, avkastning och kassaflöde relaterat till driften av Bolagets tillgångar och skulle kunna ha en väsentligt ogynnsam inverkan på rörelsen, finansiella förhållanden, verksamhetsresultat och framtidsutsikterna för Bolagets tillgångar.

Operationella risker relaterade till Bolagets anläggningar och pipelines:

Pipelines och anläggningar kopplade till Bolagets tillgångar, inklusive FPSO:n Bertam, är exponerade för operationella risker, varav många är utom Bolagets kontroll. Inträffandet eller förekomsten av sådana eller andra operationella händelser skulle kunna medföra nedgångar i försäljning eller produktion eller väsentligt öka de kostnader som är hänförliga till driften av de anläggningar och pipelines som hör till Olje- och Gastillgångarna eller medföra en minskning av intäkterna i motsvarande mån.

Osäkerheter relaterade till uppskattningen av reserver och resursvolym:

Det finns ett flertal inneboende osäkerhetsfaktorer kopplade till uppskattningen av kvantiteten av olje- och naturgasreserverna och resurserna (betingade eller prospektiva) och framtida kassaflöden hänförliga till sådana reserver och resurser. Kassaflödesinformation relaterad till reserver och resurser angivna häri är endast uppskattningar. Den faktiska produktionen och de faktiska intäkterna, skatterna och utvecklings- och operationella utgifter med beaktande av reserverna och resurserna hänförliga till Bolagets tillgångar kommer att avvika från uppskattningen och dessa avvikelser kan vara väsentliga.

Regulatoriska tillstånd och regelefterlevnad samt förändringar i lagstiftningen eller den regulatoriska miljön:

Olje- och gasverksamhet (inklusive prospektering, utbyggnad, produktion, prissättning, marknadsföring och transporter) är föremål för omfattande kontroll och reglering från myndigheter på olika nivåer, som från tid till annan kan komma att förändras. Regeringar kan komma att reglera eller intervensera i prospektering, produktions- och nedläggningsaktiviteter, priser, skatter, royalties och exportering av olja och naturgas. Implementering av nya regler, eller ändringar i befintliga, som påverkar olje- och gasindustrin kan minska efterfrågan på råolja och naturgas och även öka kostnaderna som är förenade med Olje- och Gastillgångarna, något som kan få väsentliga negativa effekter för verksamheten, den finansiella ställningen, resultatet och utsikterna för Olje- och Gastillgångarna.

Som ett exempel på en regering i ett land där Bolaget är verksamt som nyligen ändrat lagstiftning relaterat till olje- och naturgasindustrin är den franska regeringen som under 2017 antog lagstiftning om att upphöra med att tillåta nya licenser för oljeprospektering i Frankrike och att begränsa produktionen av olja och gas under befintliga produktionslicenser i Frankrike från och med 2040. I detta exempel förväntar sig IPC inte att denna lagstiftning kommer ha en väsentligt ogynnsam inverkan på Bolagets verksamhet eller finansiella ställning, men det

	<p>finns en risk för investerare i Aktierna att ytterligare eller annan förändring i lagar och regler kan antas i Frankrike och i andra länder i vilka Bolaget är verksamt eller föreslår att vara verksamt i vilket skulle kunna ha väsentligt ogynnsam inverkan på Bolagets verksamhet.</p> <p>FPSO:n och regler om flaggning i Malaysia: FPSO:n Bertam måste gå under malaysisk flagg för att den ska få lasta råolja i malaysiska vatten. I februari 2018, efter en omorganisation, beviljades FPSO:n Bertam status som malaysiskt flaggat fartyg av de malaysiska myndigheterna. Eftersom FPSO:n utgör en betydande intäktskälla skulle en underlåtenhet att bibehålla flaggstatusen kunna resultera i en minskning av Bolagets intäkter och resultat och skulle även kunna ha en betydande inverkan på avlastningen av råolja från FPSO:n Bertam.</p> <p>Misslyckande med att genomföra de förväntade fördelarna med förvärv och dispositioner: Bolaget kan i den löpande verksamheten genomföra förvärv och andra överlåtelser av verksamheter och tillgångar, inklusive det nyligen genomförda förvärvet av Suffieldtillgångarna och det föreslagna förvärvet av BlackPearl. Bolagets möjlighet att tillgodogöra sig fördelarna med förvärven är dels beroende av en framgångsrik sammanläggning av verksamheterna och att dess funktioner och rutiner integreras på ett tidseffektivt och i övrigt effektivt sätt, dels att Bolaget har förmåga att realisera de förväntade tillväxtmöjligheterna och synergierna från sammanläggningen av de förvärvade verksamheterna och Bolagets befintliga verksamhet. I tillägg till detta kan Bolaget avyttra vissa tillgångar utanför kärnverksamheten så att Bolaget kan fokusera sina ansträngningar och resurser mer effektivt. Beroende på marknaden för sådana tillgångar skulle vissa sådana Bolaget tillhörande tillgångar kunna förväntas uppbära mindre ersättning än dess balansvärde såsom det upptagits i Bolagets finansiella rapportering.</p> <p>Beroende av tredjepartsaktörer: Bolaget har samarbetspartners i varje licens-, leasing-, och produktionsdelningskontrakt ("PSC") inom de områden som är relevanta för Bolagets tillgångar. I vissa fall, exempelvis i Aquitaine Basin (Frankrike) och Nederländerna, är Bolaget inte operatör och måste förlita sig på sina samarbetspartners kompetens, expertis, omdöme och finansiella resurser (utöver sina egna och, när relevant, andra partner- och joint venture-bolag) och att samarbetspartnern följer villkoren i licens- och leasingavtalen, PSC:n och andra kontraktuella arrangemang. Missbruk av Bolagets samarbetspartners i licensområden eller om dessa inte skulle kunna möta sina åtaganden kan resultera i betydande prospekterings-, produktions- och utbyggnadsfördröjningar, förluster eller ökade kostnader för Bolaget.</p> <p>Beroende av tredje parters infrastruktur: Bolagets produkter från dess tillgångar levereras genom insamlings-, bearbetnings- och pipelinesystem som Bolaget i vissa fall inte äger. Mängden olja och naturgas som Bolaget kan producera och sälja är beroende av tillgången, tillgängligheten, närheten och kapaciteten av dessa insamlings-, bearbetnings- och pipelinesystem. Avsaknaden av tillgänglighet eller kapacitet i något av insamlings-, bearbetnings- och pipelinesystemen, särskilt vad gäller bearbetningsanläggningarna, kan resultera i att Bolaget inte kan realisera den fulla ekonomiska potentialen i sin produktion eller en nedgång i det pris som erbjuds på Bolagets produktion.</p> <p>Kreditfaciliteter: Bolaget är part i kreditfaciliteter med internationella finansinstitutioner. Villkoren i dessa faciliteter innehåller operationella och finansiella kovenanter och begränsningar på Bolagets förmåga att, bland annat, åta sig eller låna till ytterligare skuldsättning, betala utdelning eller erlagga begränsade betalningar, belasta sina tillgångar, sälja tillgångar eller ingå vissa fusions- och konsolideringstransaktioner. Bolagets misslyckande med att fullfölja villkoren i kovenanterna i dessa faciliteter kan resultera i ett förtida avslut, vilket skulle, genom accelererad skuldsättning, genomförandet av säkerhetsåtgärder eller annars, kunna ha en väsentligt ogynnsam inverkan på verksamhetsresultat och de finansiella villkoren för Bolaget.</p> <p>Konkurrens om resurser och marknader: Den internationella oljemarknaden är konkurrensutsatt i alla dess delar. Bolaget konkurrerar med ett flertal andra aktörer vid sökandet efter, och förvärven av, olje- och naturgastillgångar samt vid försäljningen av olja och naturgas. Bolagets konkurrenter inkluderar olje- och</p>
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gasbolag som kan ha betydligt större finansiella resurser, personal och anläggningar än Bolaget. Bolagets möjlighet att öka sina reserver och resurser i framtiden beror inte enbart på dess förmåga att prospektera och bygga ut befintlig egendom utan även dess förmåga att välja ut och förvärva annan lämplig egendom eller potentiell sådan för prospekterings- och utbyggnadsborring.

Marknadsföring: En nedgång i Bolagets förmåga att marknadsföra olje- och gasproduktion skulle kunna ha en väsentligt ogynnsam inverkan på dess produktionsnivåer eller på priset som Bolaget erhåller för sin produktion, vilket i sin tur skulle kunna påverka Bolagets finansiella förhållanden och marknadspriset på Aktierna. Bolagets verksamhet är delvis beroende av tillgängligheten, närheten till och kapaciteten av olje- och gasinsamlingsystem, pipelines och bearbetningsanläggningar och även, potentiellt, spårbundna lastningsanläggningar och rälsbussar. Tillämpliga regler på olje- och gasproduktion, bearbetning och transporter, skatte- och energipolitik, allmänna ekonomiska förhållanden, och förändringar i utbud och efterfrågan skulle kunna ha ogynnsam inverkan på Bolagets möjligheter att producera och marknadsföra olja och gas. Om marknadsfaktorer förändras och hindrar marknadsföringen av produktion kan övergripande produktion eller realiserade priser minska vilket kan påverka Bolagets finansiella förhållanden och marknadspriset på Aktierna.

Lagstiftning om klimatförändringar: Olje- och gasindustrin är föremål för miljörättslig lagstiftning. Överträdelse av sådan lagstiftning kan resultera i att Bolaget åläggs att betala väsentliga böter eller tvingas vidta omfattande saneringsåtgärder avseende Bolaget eller Bolagets tillgångar, varav vissa kan vara väsentliga. Bolagets ledning anser dessutom att det politiska klimatet idag gynnar nya initiativ till miljölagar och miljöregleringar, särskilt vad gäller minskningen av utsläpp eller utsläppsintensiteten, och det finns en risk att sådana program, lagar eller regleringar, om de föreslås och antas, kommer att inrymma utsläppsmål som Bolaget inte kan uppnå, och att finansiella sanktioner eller böter därmed kan komma att påföras Bolaget.

Bedrägerier, mutor och korruption: Verksamheten avseende Olje- och Gastillgångarna regleras av lagar i många jurisdiktioner som i allmänhet förbjuder mutor och andra former av korruption. Det finns en risk för att Bolagets anställda, tjänstemän, styrelseledamöter, agenter eller affärspartners tidigare har, eller kommer att, vidta åtgärder som inte upptäcks av Bolaget och för vilka Bolaget kan hållas ansvarig för i enlighet med gällande korruptionslagar. Det är möjligt att Bolaget, eller några av dess dotterbolag, anställda eller leverantörer, skulle kunna bli föremål för en utredning i samband med anklagelser om mutor eller korruption som ett resultat av obehöriga handlingar av dess anställda eller leverantörer, vilket kan leda till betydande företagsstörningar, betungande påföljder och ryktesskador.

Avvecklings-, nedläggnings- eller regenereringskostnader: Koncernen är ansvarig för följsamhet med alla tillämpliga lagar, regler och kontraktuella skyldigheter avseende avveckling, nedläggning och regenerering av Koncernens tillgångar i slutet av dess ekonomiska livscykel, kostnader som kan vara betydande. Det är inte möjligt att förutse dessa kostnader med säkerhet eftersom de är en funktion av de krav som gäller vid tiden för avveckling, nedläggning eller regenerering och den faktiska kostnaden kan överstiga nuvarande uppskattningar. Lagar, regler och kontraktuella skyldigheter med hänsyn till nedläggning och avveckling kan implementeras eller förändras i framtiden.

Upphörande och förnyelse av licenser, leases eller produktionsdelningskontrakt (PSC:s): Viss egendom som konstituerar Olje- och Gastillgångarna innehas i form av licenser, leases och PSC:s. Om innehavaren av licensen, leasingkontraktet eller PSC:n eller operatören av licensen, leasingkontraktet eller PSC:n misslyckas med att möta de specifika krav som en licens, lease eller PSC ställer, inklusive följsamhet i förhållande till miljö, hälsa och säkerhet, kan licensen, leasingkontrakt eller PSC:n avslutas eller upphöra. Det finns en risk att förpliktelserna som krävs för att bibehålla varje licens, leasingkontrakt eller PSC inte kommer att uppfyllas. Avslutandet eller upphörandet av en licens, lease eller PSC, eller av en licensandel, kan ha en väsentligt ogynnsam inverkan på rörelsen, finansiella förhållandet, verksamhetsresultat och framtidsutsikterna för Olje- och Gastillgångarna. Från tid till annan kan licenser och leasingkontrakt, i enlighet med dess villkor, behöva

		<p>förnyas; det finns en risk att dessa licenser, leasingkontrakt och PSC:s avseende Olje- och Gastillgångarna inte kommer att förnyas av relevanta statliga myndigheter på villkor som kan godtas av Bolaget. Det kan också förekomma betydande förseningar i att erhålla licensförnyelser som redan påverkar verksamheten i förhållande till Olje- och Gastillgångarna.</p> <p>Ekonomisk och politisk utveckling i länder där Bolaget bedriver verksamhet: Internationella rörelser är underkastade politiska, ekonomiska och andra osäkerhetsfaktorer. Bolagets tillgångar kan också påverkas negativt av förändringar i tillämplig lagstiftning och riktlinjer i Kanada, Malaysia, Frankrike och Nederländerna, vilket skulle kunna ha negativ inverkan på Bolaget.</p> <p>Informationssäkerhet: Koncernen är starkt beroende av dess informationssystem och datorbaserade program. Krascher, tekniska fel eller säkerhetsöverträdelser av datorhackers eller cyberterrorister av något sådant system eller program kan ha en väsentligt ogynnsam inverkan på Bolagets verksamhet och system, vilket potentiellt kan påverka nätverkstillgångar och personers integritet. De primära riskerna för Bolaget innefattar förlust av data, förstörd eller korrupt data, äventyr av konfidentiell information om kunder eller anställda, läckt information, verksamhetsstörningar, stöld eller utpressning av medel, regulatoriska överträdelser, förlust av konkurrensfördelar och skadat anseende.</p> <p>Arrangemanget: Det finns en risk att IPC och BlackPearl inte kommer att realisera de förväntade fördelarna med Arrangemanget. Vidare finns det risker som är relaterade till integrationen av IPC:s och BlackPearls befintliga verksamheter, inklusive att aktieägarna i IPC respektive BlackPearl kan exponeras mot ytterligare verksamhetsrelaterade risker som inte funnits avseende deras respektive innehav innan Arrangemanget. Vidare är Arrangemanget villkorat av ett antal villkor, av vilka några är utom IPC:s och BlackPearls kontroll. Avtalet kan under vissa omständigheter sägas upp av både IPC och BlackPearl och IPC:s emission av de nya Aktierna, om den genomförs, kommer att innebära en utspädning för IPC Aktieägarna.</p>
<p>D.3</p>	<p><i>Huvudsakliga risker som är specifika för värdepapperen</i></p>	<p>Varje investering i värdepapper är förenad med risk. Varje sådan risk kan orsaka att kursen för Aktierna faller väsentligt och medföra att investerare förlorar delar eller hela värdet av sina investeringar. Några av de risker som är relaterade till Aktierna är följande.</p> <p>Betydande aktieinnehav: Nemesia S.å.r.l., vars aktier till 100 % ägs av en stiftelse med den bortgångne Adolf H. Lundin som stiftare, äger cirka 32 % av det aggregerade röstkapitalet i Bolaget. Nemesia S.å.r.l:s innehav möjliggör för stiftelsen att utöva betydande aktieägarinflytande på Bolaget, inklusive valet av styrelseledamöter. Så länge som Nemesia S.å.r.l. behåller ett betydande intresse i Bolaget är det sannolikt att Nemesia S.å.r.l. kommer att utöva betydande inflytande över Bolagets verksamhet. Det finns en risk att Nemesia S.å.r.l:s intressen inte överensstämmer med övriga aktieägares intressen.</p> <p>Ytterligare behov av finansiering: Bolagets kassaflöden från sina reserver kanske inte alltid kommer att vara tillräckliga för att finansiera den pågående verksamheten. Från tid till annan kan Bolaget komma att behöva ytterligare finansiering för att kunna utföra sina olje- och gasförvärv, prospekteringar och utbyggnadsaktiviteter. Skulle Bolaget misslyckas med att erhålla sådan finansiering i rätt tid kan det medföra att Bolaget tvingas ge upp innehav i viss egendom, gå miste om vissa förvärvsmöjligheter eller tvingas minska eller lägga ned viss verksamhet. Om Bolagets intäkter från dess reserver minskar till följd av lägre olje- och gaspriser eller av andra skäl kommer det påverka Bolagets möjligheter att utöka det nödvändiga kapitalet för att ersätta dess reserver eller bibehålla dess produktion. Om bolagets medel från verksamheten inte är tillräckliga för att tillgodose kapitalutgiftskraven finns det en risk att skuldsättning eller finansiering med eget kapital kommer vara otillgängligt för att möta dessa krav eller, om tillgängligt, på krav som Bolaget inte kan godta. Fortsatt osäkerhet i nationella och internationella kreditmarknader skulle kunna ha väsentlig påverkan på Bolagets tillgång till tillräckligt kapital för dess kapitalutgifter och förvärv vilket som resultat kan ha en väsentligt ogynnsam inverkan på Bolagets möjlighet att genomföra sin verksamhetsstrategi och på dess rörelse, finansiella förhållanden,</p>

		<p>verksamhetsresultat och framtidsutsikter och även negativt påverka marknadspriset på Aktierna.</p> <p>Upptagande av skuld: Från tid till annan kan Bolaget komma att genomföra transaktioner i form av förvärv av tillgångar eller aktier i andra aktörer. Dessa förvärv kan finansieras helt eller delvis genom lån, vilket kan skapa skulder eller medföra att Bolagets existerande skuldnivå överstiger marknadsnivåerna för olje- och naturgasbolag av likvärdig storlek. Beroende på framtida prospekterings- och utbyggnadsplaner kan Bolaget få ett behov av ytterligare kapital och/eller skuldfinansiering, vilket kanske inte är tillgängligt, eller är tillgängligt på ofördelaktiga villkor. Bolagets skuldsättningsgrad kan, från tid till annan, komma att hämma Bolagets utsikter att erhålla ytterligare finansiering i rätt tid, något som kan behövas för att kunna dra nytta av de affärsmöjligheter som uppstår.</p> <p>Aktiernas prisvolatilitet: Marknadspriset på Aktierna kan vara volatilt och föremål för stora fluktuationer beroende på flertalet omständigheter, av vilka många ligger utanför Bolagets kontroll.</p>
Avsnitt E – Erbjudande		
E.1	<i>Nettointäkter och kostnader</i>	IPC kommer inte att erhålla några intäkter med anledning av Arrangemanget. IPC:s estimerade kostnader för Arrangemanget är 1,2 miljoner USD vilket inkluderar kostnader för legal och finansiell rådgivning.
E.2a	<i>Motiv till erbjudandet och användning av medel</i>	<p>Bakgrund till Arrangemanget</p> <p>Villkoren för Arrangemanget är ett resultat av förhandlingar på armslängds avstånd mellan representanter för IPC och BlackPearl och deras respektive rådgivare.</p> <p>Fördelar med Arrangemanget</p> <p>Både IPC och BlackPearl förväntar sig att IPC, efter att Arrangemanget har fullföljts, kommer att kunna erbjuda följande fördelar för både aktieägarna i IPC och BlackPearl:</p> <ul style="list-style-type: none"> • Stabil långsiktig produktion. Baserat på medelvärdet av IPC:s och BlackPearls guidning kommer IPC att ha ett estimerat kombinerat medelvärde av produktion om ca 45 250 boe/d för 2018, genom en mängd olika olje- och gastillgångar i Kanada (Alberta och Saskatchewan), Malaysia och Europa. Produktionen förväntas bestå av cirka 61 % vätskor (40 % tungolja och 21 % lättolja och kondensat) och 39 % naturgas. Produktionen förväntas komma från Kanada till ca 78 %, från Malaysia till ca 15 % och från Europa till ca 7 %. • Starka reserver och tillgångar. IPC kommer att ha ett kombinerat brutto "proved plus probable" reserver om 291,5 MMboe (per 31 december 2017) och "best estimate contingent resources" om 852,9 MMboe (per 31 december 2017). IPC:s reservers livsindex kommer att vara ca 17,6 år på en basis av "proved plus probable". • Organiska tillväxtpotentialer. IPC kommer att mycket högkvalitativa borrhningsmöjligheter och identifiera framtida projekt, med en potential om att generera positiva intäkter och leverera organisk produktion och tillväxt av reserver. • Stark balansräkning. IPC förväntas ha en stark finansiell likviditet från kassaflödena som genereras av dess verksamhet i världen, i tillägg till fortsatt tillgång till outnyttjat kreditutrymme under IPC:s kreditfaciliteter för att accelerera investeringar i IPC:s tillväxtprojekt efterföljande slutförandet av Arrangemanget. • Möjlighet att optimera kapitalallokering. IPC kommer att ha en diversifierad portfölj av tillgångar i Kanada, Malaysia och Europa vilket ger IPC möjligheten att prioritera investeringsmöjligheter från den förstörade portföljen och uppnå attraktiv avkastning för aktieägarna.

		<ul style="list-style-type: none"> • Stark ledning och styrelse. Den existerande styrelsen i IPC och den existerande koncernledningen kommer att kompletteras med representanter från BlackPearl till IPC:s styrelse och i lokala och seniora ledningspositioner. IPC kommer att ha omfattande lokalkännedom och operationella möjligheter. • Ökad omfattning och ökad investerarbas. IPC förväntas att få förbättrad tillgång till institutionella och privata investerare på både TSX och Nasdaq Stockholm. IPC:s notering på två marknader och dess betydande tillgång till en europeisk investerarbas, kombinerat med BlackPearls existerande nordamerikanska investerarbas förväntas ge fördelar till alla aktieägare efter att Arrangemanget har fullföljts till följd av förbättrad likviditet och marknads-uppmärksamhet. <p>IPC kommer inte att erhålla några intäkter med anledning av Arrangemanget.</p>
<p>E.3</p>	<p><i>Erbjudandets former och villkor</i></p>	<p>Följande åtgärder måste vidtas för att Arrangemanget ska verkställas:</p> <ul style="list-style-type: none"> (a) IPC:s aktieägare måste godkänna emissionen av de nya IPC aktierna på IPC:s bolagsstämma; (b) BlackPearls aktieägare måste på BlackPearls bolagsstämma godkänna beslutet om Arrangemanget i enlighet med de krav som uppställs i interimsoverenskomsten från domstolen; (c) domstolen måste slutligt godkänna Arrangemanget; (d) alla villkor för Arrangemanget som framgår i Avtalet, inklusive erhållandet av alla regulatoriska godkännanden, måste vara uppfyllda eller godkända av relevant part att de inte är uppfyllda; och (e) villkoren för Arrangemanget och en kopia av domstolens slutliga godkännande, samt övrig information som kan krävas, ska tillhandahållas till en viss person. <p>Det finns inga garantier om att villkoren som anges i Avtalet kommer att uppfyllas eller att relevant part godkänner att de inte är uppfyllda i tid eller att domstolen slutligt godkänner Arrangemanget.</p> <p>IPC:s aktieägares godkännande</p> <p>Beslutet om att godkänna IPC:s emission av nya IPC aktier måste godkännas av en majoritet av de angivna rösterna som är närvarande personligen eller genom ombud på IPC:s bolagsstämma efter att de röster som getts av IPCs 'insiders' har bortsetts ifrån i enlighet med avsnitt 611(b) i TSX-manualen. Det förväntas att röster motsvarande tillsammans 28 789 050 IPC Aktier, vilket motsvarar ca 32,74 procent av aktierna i IPC, kommer att exkluderas i enlighet med avsnitt 611(b) i TSX-manualen när det ska fastställas om IPC:s aktieägare har godkänt beslutet. Om inte IPC:s aktieägare godkänner beslutet om nyemission av aktier kan inte Arrangemanget slutföras.</p> <p>BlackPearls aktieägares godkännande</p> <p>I enlighet med villkoren i interimsoverenskomsten, måste BlackPearls aktieägare godkänna beslutet om Arrangemanget med (med förbehåll för ytterligare villkor från domstolen):</p> <ul style="list-style-type: none"> (a) med en majoritet om två-tredjedelar (66⅔ %) av de angivna rösterna på BlackPearls bolagsstämma som är närvarande

		<p>personligen eller genom ombud på BlackPearls bolagsstämma; och</p> <p>(b) med minst en enkel majoritet av de angivna rösterna på BlackPearls bolagsstämma som är närvarande personligen eller genom ombud på BlackPearls bolagsstämma efter att de röster som avges av de personer som omfattas av MI 61-101 har bortsetts ifrån.</p> <p>Det förväntas att röster rörande totalt 32 414 696 BlackPearl Aktier, motsvarande 9,61 procent av BlackPearl Aktierna, kommer att exkluderas i enlighet med MI 61-101 för att bestämma huruvida beslutet uppnått erforderlig majoritet.</p> <p>I tillägg, och i enlighet med TSX regler, kommer BlackPearl att behöva erhålla godkännande för beslutet om BlackPearls Arrangemang genom en enkel majoritet av de röster som avges av de av BlackPearls aktieägare som är närvarande på BlackPearls bolagsstämma, antingen personligen eller genom fullmakt.</p> <p>Om inte BlackPearls aktieägare godkänner beslutet om Arrangemanget kan inte Arrangemanget slutföras.</p> <p>Efter att IPC har emitterat de nya IPC Aktierna och Arrangemanget har avslutats kommer IPC att gå ut med ett pressmeddelande rörande slutförandet av Arrangemanget och resultatet av emissionen. IPC kommer också att offentliggöra ett pressmeddelande vid slutet av den kalendermånad under vilken IPC emitterade de nya aktierna under Arrangemanget vilket inkluderar information om det totala antalet nya IPC Aktier.</p>
E.4	<i>Intressen som har betydelse för erbjudandet</i>	Ej tillämplig.
E.5	<i>Säljare/lock-up-överenskommelser</i>	<p>Styrelseledamöterna och ledningen i IPC och Nemesia S.å.r.l. har åtagit sig att inte utan skriftligt godkännande på förhand från IPC, varken direkt eller indirekt, sälja, överlåta eller på annat sätt avyttra IPC Aktier som innehas av dessa personer under perioden med början det datum då Arrangemanget verkställs ("Verkställandedagen") och till det datum som infaller sex månader efter Verkställandedagen.</p> <p>I tillägg har styrelseledamöterna och ledningen i BlackPearl, Lorito Holdings S.å.r.l., Zebra Holdings and Investments S.å.r.l. och Burgundy Asset Management Ltd. åtagit sig att inte utan skriftligt godkännande på förhand från IPC, varken direkt eller indirekt, sälja, överlåta eller på annat sätt avyttra IPC Aktier som innehas av dessa personer eller som dessa personer får i samband med Arrangemanget under perioden från och med Verkställandedagen och till det datum som infaller sex månader efter Verkställandedagen.</p>
E.6	<i>Utspädning</i>	Om Arrangemanget fullföljs, kommer IPC att emittera upp till 81 157 106 nya IPC Aktier till BlackPearls aktieägare på en fullt utspädd basis, vilket resulterar i att IPC kommer att ha upp till 169 078 952 IPC Aktier utestående efter att Arrangemanget har fullföljts. Detta kommer att innebära en utspädning för nuvarande aktieägare i IPC om ca 48 %. ²
E.7	<i>Kostnader för investerare</i>	Ej tillämplig. Inga kostnader kommer att åläggas investerare med anledning av Arrangemanget.

² Beräknat genom att dela det nya antalet IPC aktier med antalet IPC aktier som är utestående efter emissionen av de nya IPC aktierna.

RISK FACTORS

IPC Shareholders voting in favour of the IPC Share Issuance Resolution and BlackPearl Shareholders voting in favour of the BlackPearl Arrangement Resolution will be approving the acquisition by IPC of BlackPearl and, in the case of BlackPearl Shareholders, to invest in IPC Shares. The Arrangement and investment in IPC Shares involves risks.

Investors in Common Shares should carefully consider the following risk factors in addition to the other information contained in this prospectus. The risks and uncertainties below are not the only ones that the Corporation faces. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently considers immaterial may also impair the business and operations of the Corporation and cause the price of the Common Shares to decline. If any of the following risks actually occur, the Corporation's business may be harmed and the financial condition and results of operations may suffer significantly. In that event, the trading price of the Common Shares could decline and holders of the Common Shares may lose all or part of their investment.

Risks Relating to the Corporation and the Industry

IPC is engaged in the exploration, development and production of oil and gas and its operations are subject to various risks and uncertainties which include but are not limited to those listed below. The risks and uncertainties below are not the only ones that the Group faces. Additional risks and uncertainties not presently known to the Group or that the Group currently considers immaterial may also impair the business and operations of the Group and cause the price of IPC's shares to decline. If any of the following risks actually occur, the Group's business may be harmed and the financial condition and results of operations may suffer significantly.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Corporation depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves associated with the Oil and Gas Assets at any particular time, and the production therefrom, will decline over time as such existing reserves are exploited. There is a risk that additional commercial quantities of oil and natural gas will not be discovered or acquired by the Corporation. Production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Future oil and gas development may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field-operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. Production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or personal injury. In accordance with industry practice, the Corporation will not fully insure against all of these risks, nor are all such risks insurable. Due to the nature of these risks, there is a risk that such liabilities could exceed insurance policy limits, in which event the Corporation could incur significant costs.

Volatility in Oil and Gas Commodity Prices

The marketability and price of oil and natural gas that may be acquired or discovered by the Corporation is and will continue to be affected by numerous factors beyond its control. The Corporation's ability to market its oil and natural gas may depend upon its ability to acquire space on pipelines that deliver oil and natural gas to commercial markets. The Corporation may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing and storage facilities and operational problems affecting such pipelines and facilities as well as extensive government

regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Prices for oil and gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond the control of the Corporation. These factors include economic conditions in Europe, Asia, the United States, Canada and elsewhere, the actions of the Organization of the Petroleum Exporting Countries (“OPEC”), governmental regulation, political instability in the Middle East and elsewhere, the foreign supply of oil and gas, risks of supply disruption, the price of foreign imports, the availability of alternative fuel sources and the potential for increased supply of oil and gas for unconventional shale oil and shale gas and other services.

Oil and natural gas prices have fluctuated widely during recent years and may continue to be volatile in the future. Any substantial and extended decline in the price of oil and gas would have an adverse effect on the carrying value of the reserves and resources, borrowing capacity, revenues, profitability and cash flows associated with operation of the Corporation’s assets and may have a material adverse effect on the business, financial condition, results of operations and prospects associated with the Corporation’s assets.

Operational Risks Relating to Facilities and Pipelines

The pipelines and facilities associated with the Corporation’s assets, including the floating production, storage and offloading (“FPSO”) unit used on the Bertam field (the “FPSO Bertam”), are exposed to operational risks that can lead to hydrocarbon releases and unplanned outages. Other operating risks relating to the facilities and pipelines associated with the Corporation’s assets include: the breakdown or failure of equipment; issues and failures affecting the FPSO Bertam; breakdown or malicious attacks on information systems or processes; the performance of equipment at levels below those originally intended; operator error; disputes and other issues with interconnected facilities; and catastrophic events such as natural disasters, fires, explosions, fractures, acts of terrorists and saboteurs and other similar events, many of which will be beyond the control of the Group. The occurrence or continuance of any of these or other operational events could curtail sales or production or materially increase the cost of operating the facilities and pipelines associated with the Oil and Gas Assets and reduce revenues accordingly.

Uncertainties Associated with Estimating Reserves and Resources Volumes

There are numerous uncertainties inherent in estimating quantities of oil and natural gas reserves and resources (contingent or prospective) and the future cash flows attributed to such reserves and resources. The cash flow information associated with reserves and resources set forth herein are estimates only. The actual production, revenues, taxes and development and operating expenditures with respect to the reserves and resources associated with the Group’s assets will vary from estimates thereof and such variations could be material. Estimates of reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. There is uncertainty that it will be commercially viable to produce any portion of the contingent resources.

In accordance with applicable securities laws, the Group and the Group’s independent reserves auditors have used forecast prices and costs in estimating the reserves, resources and future net cash flows as summarized herein. Actual future net cash flows will be affected by other factors, such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

References to “contingent resources” do not constitute, and should be distinguished from, references to “reserves”. References to “prospective resources” do not constitute, and should be distinguished from, references to “contingent resources” and “reserves”. See also “Reserves and Resource Advisory”.

Regulatory Approvals and Compliance and Changes in Legislation and the Regulatory Environment

Oil and natural gas operations (including exploration, development, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. Governments may regulate or intervene with respect to exploration, production and abandonment activities, price, taxes, royalties and the exportation of oil and natural gas. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for crude oil and natural gas and increase the costs associated with the Oil and Gas Assets, any of which may have a material adverse effect on the business, financial condition, results of operations and prospects of the Oil and

Gas Assets. In order to conduct oil and gas operations, the Group will require regulatory permits, licences, registrations, approvals, authorizations and concessions from various governmental authorities. There is a risk that the permits, licences, registrations, approvals, authorizations and concessions currently granted to the Group will not be renewed or that the Group will be unable to obtain all of the permits, licences, registrations, approvals, authorizations and concessions that may be required to conduct operations that it may wish to undertake.

As an example of a government in a country in which the Corporation operates recently changing legislation relating to the oil and natural gas industry, the French government enacted legislation in 2017 to cease granting new petroleum exploration licenses in France and to restrict the production of oil and gas under existing production licenses in France from 2040. In this example, IPC does not expect that this legislation will have a material adverse effect on the Corporation's operations or financial condition, however there is a risk to investors in Common Shares that further or other legal or regulatory changes could be enacted in France or in other countries in which the Corporation operates or proposes to operate which could have material adverse effects on the Corporation's operations.

Change of Control under Licences

Certain of the licence areas associated with the Oil and Gas assets, including in France, require government consent to effect a change of control of the owner or an assignment of the ownership interest in the licence area. There may also be contractual restrictions on assignment and change of control, including in Canada. Accordingly, should the ownership interest in these licence areas be reduced or if there is a change of control of the Corporation, consent may be required in order to remain in compliance with the applicable licences and concessions. The failure to obtain such consent may have a material adverse effect on the Corporation. Further, the requirement to obtain such consent may limit the ability of a third party to effect a change of control transaction with the Corporation.

FPSO Flagging Regulations in Malaysia

The FPSO Bertam is required to be Malaysian flagged in order to be able to offload crude in Malaysian waters. In February 2018, following a corporate restructuring transaction, Malaysian flagging status for the FPSO Bertam was confirmed by the Malaysian authorities. As the FPSO provides a significant revenue stream, a failure to maintain the flagging status may result in a reduction of earnings for the Corporation and may also have a significant impact on offloading of crude from the FPSO Bertam.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

The Corporation may make acquisitions and dispositions of businesses and assets in the ordinary course of business, including the recent acquisition of the Suffield Assets and the proposed acquisition of BlackPearl. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as the Corporation's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Corporation. In addition, non-core assets may be periodically disposed of, so that the Corporation can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Corporation, if disposed of, could be expected to realize less than their carrying value on the financial statements of the Corporation.

Reliance on Third-Party Operators

The Corporation has partners in each of the licence, lease and production sharing contract ("PSC") areas associated with the Corporation's assets. In some cases, including in the Aquitaine Basin in France and the Netherlands, the Corporation is not the operator of the licence and concession areas and must depend on the competence, expertise, judgment and financial resources (in addition to those of its own and, where relevant, other partnership and joint venture companies) of the partner operator and the operator's compliance with the terms of the licences, leases, PSCs and contractual arrangements. Mismanagement of licence areas by the Corporation's partner operators or defaults by them in meeting required obligations may result in significant exploration, production or development delays, losses or increased costs to the Corporation.

Reliance on Third-Party Infrastructure

The Corporation delivers the products associated with the Corporation's assets by gathering, processing and pipeline systems, some of which it does not own. The amount of oil and natural gas that the Corporation is able to produce and sell is subject to the accessibility, availability, proximity and capacity of these gathering, processing and pipeline systems. The lack of availability of capacity in any of the gathering, processing and pipeline systems, and in particular the processing facilities, could result in the Corporation's inability to realize the full economic potential of its production or in a reduction of the price offered for the Corporation's production. Any significant change in market factors or other

conditions affecting these infrastructure systems and facilities, as well as any delays in constructing new infrastructure systems and facilities could harm the Corporation's business financial condition, results of operations, cash flows and future prospects.

Credit Facilities

The Corporation is party to credit facilities with international financial institutions. The terms of these facilities contain operating and financial covenants and restrictions on the ability of the Corporation to, among other things, incur or lend additional debt, pay dividends and make restricted payments, encumber its assets, sell assets and enter into certain merger or consolidation transactions. The failure of the Corporation to comply with the covenants contained in these facilities could result in an event of default, which could, through acceleration of debt, enforcement of security or otherwise, materially and adversely affect the operating results and financial condition of the Corporation.

Competition for Resources and Markets

The international petroleum industry is competitive in all its phases. The Corporation competes with numerous other organizations in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. The Corporation's competitors include oil and natural gas companies that may have substantially greater financial resources, staff and facilities than those of the Corporation. The Corporation's ability to increase its reserves and resources in the future depends not only on its ability to explore and develop its present properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory and development drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery and storage. Competition may also be presented by alternate fuel sources.

Marketing

A decline in the Corporation's ability to market oil and gas production could have a material adverse effect on its production levels or on the price that the Corporation receives for production, which in turn may affect the financial condition of the Corporation and the market price of the Common Shares. The Corporation's business depends in part upon the availability, proximity and capacity of oil and gas gathering systems, pipelines and processing facilities as well as, potentially, rail loading facilities and railcars. Applicable regulation of oil and gas production, processing and transportation, tax and energy policies, general economic conditions, and changes in supply and demand could adversely affect the Corporation's ability to produce and market oil and gas. If market factors change and inhibit the marketing of production, overall production or realized prices may decline, which may affect the financial condition of the Corporation and the market price of the Common Shares.

Hedging Strategies

From time to time, the Corporation may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, the Corporation will not benefit from such increases. Similarly, from time to time, the Corporation may enter into agreements to fix the exchange rate of certain currencies. However, if a currency declines in value compared to another currency, the operation of the Corporation's assets will not benefit from the fluctuating exchange rate if an agreement has fixed such exchange rate.

Climate Change Legislation

The oil and natural gas industry is subject to environmental regulation. A breach of such legislation may result in the imposition of fines or issuance of clean up orders in respect of the Corporation or the Corporation's assets, some of which may be material. Furthermore, management of the Corporation believes the political climate appears to favour new programs for environmental laws and regulation, particularly in relation to the reduction of emissions or emissions intensity, and there is a risk that any such programs, laws or regulations, if proposed and enacted, will contain emission reduction targets which the Corporation cannot meet, and financial penalties or charges could be incurred as a result of the failure to meet such targets.

Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Implementation of strategies by any level of government within the countries in which the Corporation operates, and whether to meet international agreed limits, or as otherwise determined, for reducing greenhouse gases could have a material impact on the operations and financial condition of the Corporation. In addition, concerns about climate change have resulted in a number of environmental activists and members of the public opposing the continued exploitation, transportation and development of fossil fuels. Given the evolving nature of the debate related to climate

change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Corporation and its operations and financial condition.

Fraud, Bribery and Corruption

The operations relating to the Oil and Gas Assets are governed by the laws of many jurisdictions, which generally prohibit bribery and other forms of corruption. There is a risk that the Group's employees, officers, directors, agents, or business partners have in the past or will in the future engage in conduct undetected by the Corporation and for which the Corporation might be held liable under applicable anti-corruption laws. It is possible that the Corporation, or some of its subsidiaries, employees or contractors, could be subject to an investigation related to charges of bribery or corruption as a result of the unauthorized actions of its employees or contractors, which could result in significant corporate disruption, onerous penalties and reputational damage.

Decommissioning, Abandonment and Reclamation Costs

The Corporation is responsible for compliance with all applicable laws, regulations and contractual requirements regarding the decommissioning, abandonment and reclamation of the Corporation's assets at the end of their economic life, the costs of which may be substantial. It is not possible to predict these costs with certainty since they will be a function of requirements at the time of decommissioning, abandonment and reclamation and the actual costs may exceed current estimates. Laws, regulations and contractual requirements with regard to abandonment and decommissioning may be implemented or amended in the future.

Third-Party Credit Risk

The Corporation may be exposed to third-party credit risk through the contractual arrangements associated with the Corporation's assets with its current or future joint venture partners, marketers of its petroleum and natural gas production, third party uses of its facilities and other parties. In the event such entities fail to meet their contractual obligations in respect of the Corporation's assets, such failures may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Repatriation of Earnings

A significant portion of the revenue-generating operations of the Corporation's assets is located in Malaysia. In December 2016, the Central Bank of Malaysia implemented measures to facilitate its management of foreign exchange risk. These rules are not expected to have a material adverse effect on the Corporation, but there is a risk that the Central Bank of Malaysia or another authority may implement further measures that will restrict the future repatriation of earnings.

Expiration and Renewal of Licences, Leases and Production Sharing Contracts

Certain properties constituting the Oil and Gas Assets are held in the form of licences, leases and PSCs. If the holder of the licence, lease or PSC or the operator of the licence, lease or PSC fails to meet the specific requirement of a licence, lease or PSC, including compliance with environmental, health and safety requirements, the licence, lease or PSC may terminate or expire. There is a risk that the obligations required to maintain each licence, lease or PSC will not be met. The termination or expiration of the licence, lease or PSC, or the working interests relating to a licence may have a material adverse effect on the business, financial condition, results of operations and prospects associated with the Oil and Gas Assets. From time to time, the licences and leases may, in accordance with their terms, become due for renewal; there is a risk that these licences, leases and PSCs associated with the Oil and Gas Assets will not be renewed by the relevant government authorities, on terms that will be acceptable to the Corporation. There also can be significant delay in obtaining licence renewals which may already affect the operations associated with the Oil and Gas Assets.

Litigation

In the normal course of the Corporation's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Corporation and as a result, could have a material adverse effect on the Corporation's assets, liabilities, business, financial condition and results of operations.

Economic and Political Developments in Countries in which the Corporation Operates

International operations are subject to political, economic and other uncertainties. The Corporation's assets could also be adversely affected by changes in applicable laws and policies of Canada, Malaysia, France and the Netherlands, which could have a negative impact on the Corporation.

Terrorism and Sabotage

If any of the properties, wells or facilities comprising the Corporation's assets is the subject of terrorist attack or sabotage, it may have a material adverse effect on the Corporation's business, financial condition, results of operations, cash flows and future prospects.

Information Security

The Corporation is heavily dependent on its information systems and computer based programs. Failure, malfunction or security breaches by computer hackers and cyberterrorists of any such systems or programs may have a material adverse effect on the Corporation's business and systems, potentially affecting network assets and people's privacy. The primary risks to the Corporation include, loss of data, destruction or corruption of data, compromising of confidential customer or employee information, leaked information, disruption of business, theft or extortion of funds, regulatory infractions, loss of competitive advantage and reputational damage.

Potential Conflicts of Interest

Certain of the individuals who are directors of the Corporation are also directors of other oil and gas companies and as such there is a risk that certain investment opportunities may not be offered to the Corporation, or may not be approved by the directors.

Management Estimates and Assumptions

In preparing consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), estimates and assumptions are used by management in determining the reported amounts of assets and liabilities, revenues and expenses recognized during the periods presented and disclosures of contingent assets and liabilities known to exist as of the date of the financial statements. These estimates and assumptions must be made because certain information that is used in the preparation of such financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available, or is not capable of being readily calculated based on generally accepted methodologies. In some cases, these estimates are particularly difficult to determine and the Corporation must exercise significant judgment. Actual results for all estimates could differ materially from the estimates and assumptions used by the Corporation, which could have a material adverse effect on the Corporation's business, financial condition, results of operations, cash flows and future prospects.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Effective disclosure controls and procedures and internal controls over financial reporting are necessary for the Corporation to provide reliable financial and other disclosures and to help prevent fraud. The Corporation cannot be certain that the procedures it undertakes to help ensure the reliability of its financial reports and other disclosures, including those imposed on it under Canadian securities laws, will ensure that it maintains adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Corporation's results of operations or cause it to fail to meet its reporting obligations. If the Corporation or its independent auditor discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Corporation's consolidated financial statements and harm the trading price of the Common Shares.

Income Taxes

Income tax laws relating to the oil and gas industry, such as the treatment of resource taxation or dividends, may in the future be changed or interpreted in a manner that adversely affects the Corporation's assets. Furthermore, there is a risk that the relevant tax authorities will not agree with management's calculation of the income for tax purposes associated with the Corporation's assets or that such tax authorities will change their administrative practices to the detriment of the Corporation. In the event of a successful reassessment of the Corporation's income tax returns, such reassessment may have an impact on current and future taxes payable.

Forward-Looking Information May Prove Inaccurate

This prospectus contains forward-looking information, including, without limitation, the Corporation's strategic estimation relating to the Oil and Gas Assets. By its nature, forward-looking information involves numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, estimations or projections will prove to be materially inaccurate. In particular, the Corporation's strategic estimation is based upon estimates and assumptions of management which may prove incorrect. The factors discussed in this section

should therefore be weighed carefully and investors should not place undue reliance on the forward-looking information provided in this prospectus.

The assumptions used in the preparation of an estimation, although considered reasonable by management at the time of preparation, may not materialize as estimated, and unanticipated events and circumstances may occur subsequent to the date of the estimation. Accordingly, there is a significant risk that actual results achieved for the estimation period will vary from the estimated results and that such variations may be material. There is no representation that actual results achieved during the estimation period will be the same in whole or in part as those estimated. Important factors that could cause actual results to vary materially from the estimation include those disclosed under "Risk Factors".

Risks relating to the Arrangement

IPC Shareholders voting in favour of the IPC Share Issuance Resolution and BlackPearl Securityholders voting in favour of the BlackPearl Arrangement Resolution will be approving the acquisition by IPC of BlackPearl and, in the case of BlackPearl Securityholders, to invest in IPC Shares. The Arrangement and investment in IPC Shares involves risks. In addition to the risk factors presented in relation to IPC, BlackPearl Securityholders and IPC Shareholders should carefully consider the following risk factors in evaluating whether to approve the BlackPearl Arrangement Resolution and the IPC Share Issuance Resolution, as applicable. Readers are cautioned that such risk factors are not exhaustive. These risk factors should be considered in conjunction with the other information included in this prospectus, including the documents incorporated by reference herein and documents filed by IPC and BlackPearl pursuant to applicable Laws from time to time. The following are risks relate specifically to the Arrangement.

Possible failure to realize anticipated benefits of the Arrangement

The Arrangement is subject to normal commercial risks that such transaction may not be completed on the terms negotiated or at all. IPC and BlackPearl are proposing to complete the Arrangement to create the opportunity to realize certain benefits. Achieving the benefits of the Arrangement depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the ability of IPC, after giving effect to the Arrangement, to realize the anticipated growth opportunities and synergies from combining the business of BlackPearl with that of IPC.

The integration of the BlackPearl business requires the dedication of substantial effort on behalf of IPC's management, time and resources, which may divert IPC's management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect IPC's ability to achieve the anticipated benefits of the Arrangement.

The Arrangement is subject to satisfaction of waiver of certain conditions

The completion of the Arrangement is subject to a number of conditions, certain of which are outside the control of IPC and BlackPearl, including, among other things, the approval of the Court, the approval of the BlackPearl Arrangement Resolution and the IPC Share Issuance Resolution, the receipt of all Regulatory Approvals and the receipt of the Lenders' Approvals (subject to certain exemptions). There is a risk that these conditions will not be satisfied or, if satisfied, when they will be satisfied. If, for any reason, the Arrangement is not completed, the market price of the IPC Shares and the BlackPearl Shares may be adversely affected. Further, if the Arrangement Agreement is terminated, there is a risk that the IPC Board and/or BlackPearl Board will not be able to find another similar transaction in which to enter.

The Arrangement Agreement may be terminated

Each of IPC and BlackPearl has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is a risk that the Arrangement will be terminated by either IPC or BlackPearl before the completion of the Arrangement. For instance, either IPC or BlackPearl has the right, in certain circumstances, to terminate the Arrangement Agreement if changes occur that have a Material Adverse Effect on the other Party. There is a risk that a Material Adverse Effect will occur before the Effective Date, in which case IPC or BlackPearl could elect to terminate the Arrangement Agreement and the Arrangement would not proceed.

In addition, certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by BlackPearl or IPC even if the Arrangement is not completed. If the Arrangement is not completed, neither BlackPearl Securityholders nor IPC Shareholders will realize the potential benefits of the Arrangement.

Under the Arrangement Agreement, BlackPearl is required to pay IPC the Termination Fee in certain circumstances. The Termination Fee may discourage other parties from attempting to enter into a business transaction with BlackPearl, even if those parties would otherwise be willing to enter into an agreement with BlackPearl for a business combination.

Dilutive effect

The issuance of IPC Shares pursuant to the Arrangement, if completed, will have an immediate dilutive effect on the current IPC Shareholders' ownership interest in IPC of approximately 48 percent.³

The unaudited pro forma financial information of IPC is presented for illustrative purposes only and may not be an indication of IPC's results of operations or financial condition following the completion of the Arrangement

The unaudited pro forma financial information of IPC contained in this prospectus is presented for illustrative purposes only and should not be considered to be an indication of IPC's results of operations or financial condition following the completion of the Arrangement and the acquisition of the Suffield Acquisition. The unaudited pro forma financial information has been derived from the historical financial statements of IPC and BlackPearl as well as the Suffield Assets' (as defined below) operating statements and certain adjustments, assumptions and preliminary estimates have been made in connection with the preparation of this information. These adjustments, assumptions and estimates are preliminary and based on information available at the time of the preparation of the pro forma financial information, and such adjustments, assumptions and estimates are difficult to make with accuracy. Further, the unaudited pro forma financial information does not include, among other things, estimated cost or synergies, adjustments related to restructuring or integration activities or future acquisitions or disposals not yet known or probable. As a result, the actual results of operations and financial condition of IPC following the completion of the Arrangement and the Suffield Acquisition may not be consistent with the unaudited pro forma financial information included in this prospectus, and such differences may be material. The assumptions used in preparing the unaudited pro forma financial information may not prove to be accurate, and other factors may materially affect IPC's results of operations or financial condition following the Arrangement and the Suffield Acquisition.

Income Tax Laws

There is a risk that the Swedish tax authority (Sw. *Skatteverket*) or other applicable taxing authorities will not agree with the Swedish income tax consequences of the Arrangement, as applicable, as set forth in this prospectus. Furthermore, there is a risk that applicable Swedish income tax Laws will not be changed or interpreted in a manner, or that the applicable taxing authorities will not take administrative positions, that are adverse to IPC and the IPC Shareholders following completion of the Arrangement. Such taxing authorities may also disagree with how IPC or its predecessors, including BlackPearl, calculate or have in the past calculated their income for income tax purposes. Any such events could adversely affect IPC or the price of the IPC Shares following completion of the Arrangement.

Market price of the BlackPearl Shares

If, for any reason, the Arrangement is not completed or its completion is materially delayed and/or the Arrangement Agreement is terminated, the market price of the BlackPearl Shares and/or the IPC Shares may be materially adversely affected.

Entry into new oil and gas plays

Completion of the Arrangement will result in a combination of the business activities currently carried on by each of IPC and BlackPearl as separate entities. The combination of these activities into a combined entity may expose IPC Shareholders and former BlackPearl Securityholders to different business risks than those to which they were exposed prior to the Arrangement. Following completion

³ Calculated by dividing the number of new IPC Shares with the number of outstanding IPC Shares after the issue of the new IPC Shares.

of the Arrangement, IPC will face the same risks currently facing each of BlackPearl and IPC, in addition to other risks.

While the Arrangement is pending, BlackPearl and IPC are restricted from taking certain actions

The Arrangement Agreement restricts BlackPearl and IPC from taking specified actions, outside of the usual and ordinary course, until the Arrangement is completed, without the consent of the other Party. These restrictions may prevent BlackPearl and/or IPC from pursuing attractive business opportunities that may arise prior to completion of the Arrangement.

The Exchange Ratio is fixed and will not be adjusted in the event of any change in the price of the BlackPearl Shares or the IPC Shares

Upon closing of the Arrangement, each BlackPearl Shareholder (other than a Dissenting BlackPearl Shareholder) will be entitled to receive 0.22 of an IPC Share for each BlackPearl Share. The Exchange Ratio is fixed in the Plan of Arrangement and will not be adjusted for changes in the market price of either the BlackPearl Shares or the IPC Shares. Changes in the price of the IPC Shares prior to the consummation of the Arrangement will affect the market value that BlackPearl Shareholders will be entitled to receive upon closing. Neither IPC nor BlackPearl are permitted to terminate the Arrangement Agreement or re-solicit the vote of the IPC Shareholders or BlackPearl Securityholders, respectively, because of changes in the market price of the IPC Shares or BlackPearl Shares, as the case may be. Share price changes may result from a variety of factors (many of which are beyond IPC's or BlackPearl's control), including the risk factors identified in this prospectus.

BlackPearl Dissent Rights

Registered BlackPearl Shareholders have the right to exercise certain dissent and appraisal rights and demand payment of the fair value of their BlackPearl Shares in cash in connection with the Arrangement in accordance with the Interim Order. If there are a significant number of Dissenting BlackPearl Shareholders, a substantial cash payment may be required to be made to such BlackPearl Shareholders, which payment could have an adverse effect on IPC's financial condition and cash resources. It is a condition to completion of the Arrangement that holders of not more than 5% of the outstanding BlackPearl Shares shall have validly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date.

Potential undisclosed liabilities associated with the Arrangement

In connection with the Arrangement, there may be liabilities that IPC or BlackPearl failed to discover or was unable to quantify in its respective due diligence, which was conducted prior to the execution of the Arrangement Agreement, and IPC or BlackPearl may not be indemnified for some or all of those liabilities.

Risks Relating to the Common Shares

Any investment in securities involves risks. Any such risks could cause the trading price of the Common Shares to decline significantly and investors could lose some or all of their investment.

Significant Shareholder

Nemesia S.à.r.l., 100% of the shares of which are owned by a trust settled by the late Adolf H. Lundin, owns approximately 32% of the aggregate voting shares of the Corporation. Nemesia S.à.r.l.'s holding allows it to significantly affect substantially all the actions taken by the shareholders of the Corporation, including the election of directors. As long as Nemesia S.à.r.l. maintains a significant interest in the Corporation, it is likely that Nemesia S.à.r.l. will exercise significant influence on the ability of the Corporation to, among other things, amend the articles of the Corporation, enter into a change in control transaction of the Corporation that might otherwise be beneficial to its shareholders and may also discourage acquisition bids for the Corporation. There is a risk that the interests of Nemesia S.à.r.l. will not be aligned with the interests of other shareholders.

Additional Funding Requirements

The Corporation's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, the Corporation may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Corporation to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Corporation's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect the Corporation's ability

to expend the necessary capital to replace its reserves or to maintain its production. If the Corporation's funds from operations is not sufficient to satisfy its capital expenditure requirements, there is a risk that debt or equity financing will be unavailable to meet these requirements or, if available, will be on terms unacceptable to the Corporation. Continued uncertainty in domestic and international credit markets could materially affect the Corporation's ability to access sufficient capital for its capital expenditures and acquisitions, and as a result, may have a material adverse effect on the Corporation's ability to execute its business strategy and on its business, financial condition, results of operations and prospects and also negatively impact the market price of the Common Shares.

Variations in Foreign Exchange Rates and Interest Rates

World oil and gas prices are quoted in United States dollars and are therefore affected by exchange rates, which will fluctuate over time. Material increases in the value of the United States dollar will negatively impact the Corporation's production revenues. Future exchange rates could accordingly impact the future value of the Corporation's reserves and resources as determined by independent evaluators. To the extent that the Corporation engages in risk management activities related to foreign exchange rates, there will be a credit risk associated with counterparties of the Corporation. An increase in interest rates could result in a significant increase in the amount the Corporation pays to service any debt that it may incur, which could negatively impact the market price of the Common Shares.

Further Sales of Common Shares

Future sales of, or the ability to sell, substantial amounts of the Common Shares in the public market could adversely affect the prevailing market price for the Common Shares. If the Corporation's shareholders sell substantial amounts of their Common Shares in the public, the market price of the Common Shares could decline. These sales might also make it more difficult for the Corporation to sell equity or equity-related securities in the future at a time and price that the Corporation deems appropriate.

Issuance of Debt

From time to time, the Corporation may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed in whole or in part with debt, which may create debt or increase the Corporation's then-existing debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, the Corporation may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. The level of the indebtedness that the Corporation may have from time to time could impair the Corporation's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Common Share Price Volatility

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control, including the following:

- Actual or anticipated fluctuations in the Corporation's results of operations;
- Recommendations by securities research analysts;
- Changes in the economic performance or market valuations of other companies that investors deem comparable to the Corporation;
- The loss of executive officers and other key personnel of the Corporation;
- Sales or perceived sales of additional Common Shares;
- Significant acquisitions or business combinations, strategic partnerships, joint ventures or capital;
- Commitments by or involving the Corporation or its competitors; and
- Trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Corporation's business segments or target markets.

Financial markets can experience significant price and volume fluctuations that may particularly affect the market prices of equity securities of companies and that may be unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. These factors, as well as other related factors, may cause decreases in asset values, which may result in impairment losses.

There is a risk that an active or liquid trading market in the Common Shares may not develop or be sustained after the Listing. If such market fails to develop or be sustained, it could have a negative

impact on the liquidity and price of the Common Shares, and could increase the price volatility of the Common Shares. Investors may not be in a position to sell their Common Shares quickly or at the market price if there is no active trading in the Common Shares.

ADVISORY

For an explanation of certain terms used in this prospectus, please refer to "Glossary". References in this prospectus to "management" mean the executive officers of the Corporation. Any statements in this prospectus made by or on behalf of management are made in such persons' capacities as officers of the Corporation and not in their personal capacities.

Investors should read this entire prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of ownership of the Common Shares. Investors should rely only on the information contained in this prospectus and should not rely on parts of the information contained in this prospectus to the exclusion of others. The Corporation has not authorized anyone to provide additional or different information than is contained herein. If anyone provides an investor with additional, different or inconsistent information, including statements in the media about the Corporation or the Oil and Gas Assets, it should not be relied on.

The information contained in this prospectus is accurate only as of the date of this prospectus or as of the date stated. The Corporation's business, financial condition, results of operations and prospects may have changed since the date of this prospectus.

Reserves and Resources Advisory

This prospectus contains references to estimates of gross and net reserves and resources attributed to the Oil and Gas Assets. Gross reserves / resources are the working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests. Net reserves / resources are the working interest (operating or non-operating) share after deduction of royalty obligations, plus royalty interests in reserves/resources, and in respect of PSCs in Malaysia, adjusted for cost and profit oil. Unless otherwise indicated, reserves / resource volumes are presented on a gross basis.

Reserve estimates, contingent resource estimates, prospective resource estimates and estimates of future net revenue in respect of the Initial Oil and Gas Assets in France, Malaysia and the Netherlands are effective as of December 31, 2017 and were prepared by IPC and audited by ERC Equipoise Ltd. ("**ERCE**"), an independent qualified reserves auditor, in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("**NI 51-101**") and the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**"), and using McDaniel's January 1, 2018 price forecasts.

Reserves estimates, contingent resource estimates and estimates of future net revenue in respect of the Oil and Gas Assets in Canada are effective as of January 5, 2018, being the completion date for the Suffield Acquisition, and were evaluated by McDaniel & Associates Consultants Ltd. ("**McDaniel**"), an independent qualified reserves evaluator, in accordance with NI 51-101 and the COGE Handbook, and using McDaniel's January 1, 2018 price forecasts. The volumes are reported and aggregated by IPC in this prospectus as being as at December 31, 2017.

The price forecasts used in the reserve audit / evaluation are available on the website of McDaniel (www.mcdan.com), and are contained in "Reserves and Other Oil and Gas Information relating to the Oil and Gas Assets".

Reserves estimates, contingent resource estimates and estimates of future net revenue in respect of BlackPearl's oil and gas assets were evaluated by Sproule Associates Limited (Sproule) in a report prepared by Sproule dated January 18, 2018 evaluating the oil and gas reserves attributable to BlackPearl's properties as at December 31, 2017 and the contingent resource reports prepared by Sproule dated January 17, 2018 for the Blackrod, Onion Lake and Mooney properties as at December 31, 2017.

Light and medium crude oil reserves/resources disclosed in this prospectus include solution gas and other by-products.

"2P reserves" means proved plus probable reserves. "Proved reserves" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining

quantities recovered will exceed the estimated proved reserves. "Probable reserves" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. "Possible reserves" are those reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories. "Developed reserves" are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing. "Developed producing reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty. "Developed non-producing reserves" are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown. "Undeveloped reserves" are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies are conditions that must be satisfied for a portion of contingent resources to be classified as reserves that are: (a) specific to the project being evaluated; and (b) expected to be resolved within a reasonable timeframe. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent resources are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on a project maturity and/or characterized by their economic status.

There are three classifications of contingent resources: low estimate, best estimate and high estimate. Best estimate is a classification of estimated resources described in the COGE Handbook as being considered to be the best estimate of the quantity that will be actually recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the best estimate.

Contingent resources are further classified based on project maturity. The project maturity subclasses include development pending, development on hold, development unclarified and development not viable. All of the Corporation's contingent resources are classified as development unclarified. Development unclarified is defined as a contingent resource that requires further appraisal to clarify the potential for development and has been assigned a lower chance of development until contingencies can be clearly defined. Chance of development is the probability of a project being commercially viable. Of the Corporation's 63.4 MMboe best estimate contingent resources (unrisked), 17.4 MMboe are light and medium crude oil, 7.4 MMboe are heavy crude oil and 38.6 MMboe are conventional natural gas.

References to "unrisked" contingent resources volumes means that the reported volumes of contingent resources have not been risked (or adjusted) based on the chance of commerciality of such resources. In accordance with the COGE Handbook for contingent resources, the chance of commerciality is solely based on the chance of development based on all contingencies required for the re-classification of the contingent resources as reserves being resolved. Therefore unrisked reported volumes of contingent resources do not reflect the risking (or adjustment) of such volumes based on the chance of development of such resources.

The contingent resources reported in the prospectus are estimates only. The estimates are based upon a number of factors and assumptions each of which contains estimation error which could result in future revisions of the estimates as more technical and commercial information becomes available. The estimation factors include, but are not limited to, the mapped extent of the oil and gas accumulations, geologic characteristics of the reservoirs, and dynamic reservoir performance. There are numerous

risks and uncertainties associated with recovery of such resources, including many factors beyond the Group's control. There is uncertainty that it will be commercially viable to produce any portion of the contingent resources referred to in the prospectus.

Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Chance of discovery is the estimated probability that exploration activities will confirm the existence of a significant accumulation of potentially recoverable petroleum. There is no certainty that any portion of the prospective resources estimated in the report audited by ERCE and summarized in this prospectus will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources audited. Estimates of the prospective resources should be regarded only as estimates that may change as additional information becomes available. Not only are such prospective resources estimates based on that information which is currently available, but such estimates are also subject to uncertainties inherent in the application of judgmental factors in interpreting such information. Prospective resources should not be confused with those quantities that are associated with contingent resources or reserves due to the additional risks involved. Because of the uncertainty of commerciality and the lack of sufficient exploration drilling, the prospective resources estimated in the report audited by ERCE and summarized in this prospectus cannot be classified as contingent resources or reserves. The quantities that might actually be recovered, should they be discovered and developed, may differ significantly from the estimates in the report audited by ERCE and summarized in this prospectus.

Reserves and contingent resources audited by ERCE and evaluated by McDaniel, as applicable, have been aggregated in this document by IPC. Estimates of reserves, resources and future net revenue for individual properties may not reflect the same level of confidence as estimates of reserves, resources and future net revenue for all properties, due to aggregation. This prospectus contains estimates of the net present value of the future net revenue from IPC's reserves. The estimated values of future net revenue disclosed in this prospectus do not represent fair market value. There is no assurance that the forecast prices and cost assumptions used in the reserve evaluations will be attained and variances could be material.

References to "contingent resources" do not constitute, and should be distinguished from, references to "reserves". References to "prospective resources" do not constitute, and should be distinguished from, references to "contingent resources" and "reserves".

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 thousand cubic feet (Mcf) per 1 barrel (bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a 6:1 conversion basis may be misleading as an indication of value.

Certain Units of Measurement

In this prospectus, the abbreviations set forth below have the following meanings:

Abbreviation	Equivalent Word or Phrase	or	Abbreviation	Equivalent Word or Phrase
bbl	barrels of oil standard conditions of pressure (14365 psla) and temperature (60° F)		MMboe	million barrels of oil equivalent
bopd	barrels of oil per day		MMboepd	million barrels of oil equivalent per day
bcf	billion cubic feet		MMcf	million cubic feet
boe	barrel of oil equivalent		MMcfpd	million cubic feet per day
boepd	barrel of oil equivalent per day		MMscfpd	million standard cubic feet per day

Bscf	billion standard cubic feet	m ³	cubic metres
ha	hectares	NGLs	natural gas liquids
km	kilometers	p/therm	US dollars per therm
km ²	square kilometers	\$MM	million US dollars
Mboe	thousand barrels of oil equivalent	\$/bbl	US dollars per barrel of oil
Mboepd	thousand barrels of oil equivalent per day	\$/boe	US dollars per barrel of oil equivalent
Mcf	thousand cubic feet	\$/Mcf	US dollars per thousand cubic feet
MMbbl	million barrels of oil	3D	three dimensional

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
Mcf	cubic metres	28.3168
cubic metres	cubic feet	35.3147
bbl	cubic metres	0.159
cubic metres	bbl	6.290
litre	bbl	0.0063
miles	km	1.609
km	miles	0.621
feet	metres	0.305
metres	feet	3.281
acres	hectares	0.405
hectares	acres	2.471
tonnes	bbl	7.1475

In all cases where percentage figures are provided, such percentages have generally been rounded to the nearest whole number.

Currency and Exchange Rates

The financial statements and oil reserves estimates for the Oil and Gas Assets and the Corporation, as applicable, are presented in US dollars. The financial statements for BlackPearl are presented in Canadian dollars. Unless otherwise indicated, in this prospectus all references to: (i) “\$” or “USD” are to United States dollars; (ii) “C\$” or “CAD” are to Canadian dollars; (iii) “CHF” are to Swiss Francs; (iv) “€” are to Euros; (v) “£” are to British Pounds; and (vi) “SEK” are to Swedish krona.

The Swedish central national bank (Sw. *Sveriges Riksbank*) rates of exchange for SEK on November 20, 2018 were:

United States Dollars	Swiss Francs	Euros	British Pounds	Canadian Dollars
\$ 1=SEK 8,9966	CHF 100=SEK 907,6553	€ 1=SEK 10,312	£ 1 = SEK 11,577	C\$ 1=SEK 6,8375

Forward-Looking Information

This prospectus and the documents incorporated by reference herein contains statements and information which constitute “forward-looking statements” or “forward-looking information” (within the meaning of applicable Securities Laws). Such statements and information (together, “**forward-looking statements**”) relate to future events, including the Corporation’s future performance, business prospects or opportunities. Actual results may differ materially from those expressed or implied by forward-looking statements. The forward-looking statements contained in this prospectus are expressly

qualified by this cautionary statement. Forward-looking statements speak only as of the date of this prospectus, unless otherwise indicated. IPC does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws.

All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, forecasts, guidance, budgets, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “forecast”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “budget” and similar expressions) are not statements of historical fact and may be “forward-looking statements”.

Forward-looking statements include, but are not limited to, statements with respect to:

- our intention to continue to implement our strategies to build long-term shareholder value;
- the anticipated benefits of the Arrangement;
- the structure and effect of the Arrangement;
- the anticipated timing of the IPC Shareholder Meeting and the BlackPearl Securityholders' Meeting;
- the anticipated timing and contents of the Final Order;
- the completion of the Arrangement and the anticipated Effective Date;
- the anticipated number of IPC Shares to be issued pursuant to the Arrangement;
- the anticipated tax treatment of the Arrangement for BlackPearl Shareholders;
- the satisfaction of conditions for listing the IPC Shares issuable pursuant to the Arrangement on the Exchanges and the timing thereof;
- the delisting of the BlackPearl Shares from the TSX and of the BlackPearl SDRs from Nasdaq following completion of the Arrangement;
- the application to have BlackPearl cease to be a reporting issuer in the jurisdictions in which it is currently a reporting issuer following completion of the Arrangement;
- the impact of governmental regulation on IPC and BlackPearl;
- the benefits of the Suffield acquisition and the proposed BlackPearl acquisition;
- changes in commodity prices and the impact of such changes on the operations of IPC and BlackPearl;
- the level of capital expenditures;
- currency, exchange and interest rates;
- the performance characteristics of IPC's and BlackPearl's respective businesses;
- the nature of contractual arrangements with third parties in respect of IPC's and BlackPearl's respective businesses;
- expectations regarding IPC's and BlackPearl's ability to raise capital and carry out acquisition, expansion and growth plans;
- future general and administrative expenses of IPC and BlackPearl;

- competitive conditions; and
- the exercise of Dissent Rights by BlackPearl Shareholders with respect to the Arrangement
- IPC's intention to review future potential growth opportunities;
- the ability of our high quality portfolio of assets to provide a solid foundation for organic and inorganic growth;
- the resource base in place to provide feedstock to add to reserves and value;
- the integration of the Suffield-related and BlackPearl-related operations into IPC;
- potential future growth opportunities in North America;
- organic growth opportunities in France;
- results of previous infill drilling and the potential for future infill drilling in Malaysia;
- the drilling of the Keruing prospect in Malaysia and the development options if that drilling is successful;
- results of 3D seismic survey in France;
- future development potential of the Suffield operations, including oil drilling and gas optimization;
- timing and certainty regarding completion of the BlackPearl acquisition, including fulfilling the conditions precedent to such completion;
- potential acquisition opportunities;
- estimates of reserves;
- estimates of contingent resources;
- estimates of prospective resources;
- the ability to generate free cash flows and use that cash to repay debt; and
- future drilling and other exploration and development activities.

Statements relating to “reserves”, “contingent resources” and “prospective resources” are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and that the reserves and resources can be profitably produced in the future. Ultimate recovery of reserves or resources is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

The forward-looking statements are based on certain key expectations and assumptions made by IPC, including expectations and assumptions concerning: prevailing commodity prices and currency exchange rates; applicable royalty rates and tax laws; interest rates; future well production rates and reserve and contingent resource volumes; operating costs; the timing of receipt of regulatory approvals; the performance of existing wells; the success obtained in drilling new wells; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the successful completion of acquisitions and dispositions; the benefits of acquisitions; the state of the economy and the exploration and production business in the jurisdictions in which IPC operates and globally; the availability and cost of financing, labour and services; and the ability to market crude oil, natural gas and natural gas liquids successfully.

Although IPC believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because IPC can give no assurances that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks.

These include, but are not limited to:

- The risks associated with the oil and gas industry in general such as operational risks in development, exploration and production;
- Delays or changes in plans with respect to exploration or development projects or capital expenditures;
- The uncertainty of estimates and projections relating to reserves, resources, production, revenues, costs and expenses;
- Health, safety and environmental risks;
- Commodity price and exchange rate fluctuations;
- Interest rate fluctuations;
- Marketing and transportation;
- Loss of markets;
- Environmental risks;
- Competition;
- Incorrect assessment of the value of acquisitions;
- Failure to complete or realize the anticipated benefits of acquisitions or dispositions;
- The ability to access sufficient capital from internal and external sources;
- Failure to obtain required regulatory and other approvals; and
- Changes in legislation, including but not limited to tax laws, royalties, environmental and abandonment regulations.

Readers are cautioned that the foregoing list of factors is not exhaustive.

References may be made in this prospectus to “operating cash flow” (OCF), “Earnings Before Interest, Tax, Depreciation and Amortization” (EBITDA), “operating costs” and “net debt”/“net cash” which are not generally accepted accounting measures under International Financial Reporting Standards (IFRS) and do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with definitions of OCF, EBITDA, operating costs and net debt/net cash that may be used by other public companies. Management believes that OCF, EBITDA, operating costs and net debt/net cash are useful supplemental measures that may assist shareholders and investors in assessing the cash generated by and the financial performance and position of the Corporation. Non-IFRS measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. The definition and reconciliation of each non-IFRS measure is presented under “Key Performance Indicators”.

Market and Industry Data

This prospectus contains certain statistical, market and industry data obtained from government or other industry publications and reports or based on estimates derived from same and management’s knowledge of, and experience in, the markets in which the Corporation will operate. Government and

industry publications and reports generally indicate that information has been obtained from sources believed to be reliable. None of the authors of such publications and reports has provided any form of consultation, advice or counsel regarding any aspect of, or is in any way whatsoever associated with, the Corporation. Further, certain of these organizations are participants in, or advisors to participants in, the oil and natural gas industry, and they may present information in a manner that is more favourable to the industry than would be presented by an independent source. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. While the Corporation believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Corporation has not independently verified any of the data from third party sources referred to in this prospectus or ascertained the underlying assumptions relied upon by such sources.

The information obtained from third parties has been accurately reproduced, and as far as the Corporation is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

BACKGROUND AND REASONS

Background to the Arrangement

The terms of the Arrangement are the result of arm's length negotiations between IPC and BlackPearl and their respective legal advisors. The following is a summary of the events leading up to the negotiation of the Arrangement Agreement and the key meetings, negotiations, discussions and actions by and between IPC and BlackPearl that preceded the execution and public announcement of the Arrangement Agreement.

IPC's management and the IPC Board meet regularly to review, among other things, IPC's ongoing business objectives and strategic options to enhance IPC Shareholder value. IPC also regularly evaluates and reviews the merits of potential strategic opportunities and routinely receives presentations from investment banks and other third parties with respect to potential merger, acquisition and divestment opportunities.

The management of BlackPearl and the BlackPearl Board meet regularly to review, among other things, BlackPearl's ongoing business objectives and strategic options to enhance BlackPearl Shareholder value. BlackPearl also regularly evaluates and reviews the merits of potential strategic opportunities and routinely receives presentations from investment banks and other third parties with respect to potential merger, acquisition and divestment opportunities.

The management of BlackPearl and the BlackPearl Board meet regularly to review, among other things, BlackPearl's ongoing business objectives and strategic options to enhance BlackPearl Shareholder value. BlackPearl also regularly evaluates and reviews the merits of potential strategic opportunities and routinely receives presentations from investment banks and other third parties with respect to potential merger, acquisition and divestment opportunities.

On December 1, 2017, Mr. Mike Nicholson, Chief Executive Officer of IPC, contacted Mr. John Festival, President and Chief Executive Officer of BlackPearl, to discuss a possible farm-in or other commercial arrangement between the two companies regarding one of BlackPearl's properties located at Blackrod, Alberta (the "**Blackrod Project**"). The Blackrod Project is a bitumen property located in the Athabasca oil sands region at which BlackPearl is currently operating a pilot project using the steam-assisted gravity drainage ("**SAGD**") recovery process. BlackPearl has received regulatory approval for an 80,000 barrel per day commercial SAGD development application and the Blackrod Project is expected to be developed in phases.

In mid-December 2017, the management of each of BlackPearl and IPC met in Calgary, Alberta to further discuss the possibility of a farm-in or other commercial arrangement between the two companies regarding the Blackrod Project.

After Mr. Nicholson indicated that IPC was interested in pursuing further discussions with BlackPearl regarding the Blackrod Project, IPC and BlackPearl entered into a mutual confidentiality agreement on December 31, 2017 to enable mutual due diligence on each other's business and operations.

On January 25, 2018, the management of each of IPC and BlackPearl met in Calgary, Alberta to discuss the Blackrod Project and exchanged detailed information about their respective companies.

Messrs. Festival and Nicholson met in Calgary, Alberta again on April 18, 2018 to continue discussions about a possible farm-in or other commercial arrangement between the two companies regarding the Blackrod Project. Following such meeting, IPC determined that a farm-in or other commercial arrangement for the Blackrod Project on its own did not meet IPC's investment criteria as it continued to review other potential opportunities.

In early June 2018, Mr. Nicholson contacted Mr. Festival and suggested the possibility of a business combination involving IPC and BlackPearl. Management of both companies met in Calgary, Alberta on June 22, 2018 and exchanged financial and operating data. Shortly after that meeting, Mr. Festival informed Mr. John Craig, Chairman of the BlackPearl Board, about the approach made by IPC. Discussions and technical meetings between the two companies continued throughout July and August 2018. Mr. Festival provided regular updates to Mr. Craig during this period. The discussions continued to be of a preliminary nature and no details of a potential transaction were proposed or discussed.

On August 20, 2018, Mr. Nicholson presented the possibility of a business combination involving IPC and BlackPearl to Mr. Lukas H. Lundin, the Chairman of the IPC Board, and Mr. C. Ashley Heppenstall, the Lead Director of the IPC Board, both of whom agreed that management of IPC should continue discussions with management of BlackPearl and its financial and technical reviews of BlackPearl.

In late-August 2018, management of IPC briefed Mr. Chris Bruijnzeels, the Chair of the Reserves Committee of the IPC Board, with respect to the technical oil and gas production and reserves and resources aspects of a potential business combination involving IPC and BlackPearl.

On August 26, 2018, Mr. Festival met with Mr. Nicholson in Calgary, Alberta and Mr. Nicholson made a non-binding verbal proposal to acquire all of the outstanding BlackPearl Shares in exchange for IPC Shares, subject to the completion of detailed due diligence and approval by the IPC Board. The proposal also included a valuation of BlackPearl. Mr. Festival indicated that BlackPearl would discuss the proposal internally. Following that meeting and throughout September 2018, IPC continued its review and evaluation of BlackPearl's assets and operations. In addition, BlackPearl continued its review and evaluation of IPC's assets and operations. The discussions continued to be of a preliminary nature and no details of a potential transaction were proposed or discussed.

The BlackPearl Board met on September 4, 2018 to discuss IPC's non-binding proposal. While BlackPearl regularly reviews its overall corporate strategy and, from time to time, considers various strategic options that might accelerate the achievement of its business plan or otherwise be in the best interests of BlackPearl and the BlackPearl Shareholders, at the time of IPC's approach in June 2018, BlackPearl was focused on the execution of its existing business plan and was not pursuing any strategic alternatives. In light of the receipt by BlackPearl of IPC's non-binding proposal, the BlackPearl Board determined that it was appropriate to seek financial and legal advice in order to clearly understand BlackPearl's strategic alternatives and the BlackPearl Board's legal obligations. The BlackPearl Board suggested that management retain a financial advisor to provide information regarding current market conditions in the Canadian oil and gas sector, including recent merger and acquisition ("**M&A**") activities, an assessment of BlackPearl's performance relative to its peers and an assessment of potential transaction counterparties, including IPC. The BlackPearl Board also suggested that management retain legal counsel to advise the directors and officers of their fiduciary duties and obligations. Mr. Festival proposed that BlackPearl retain GMP FirstEnergy as its financial advisor, which the BlackPearl Board approved. Mr. Festival advised the BlackPearl Board that BlackPearl had already retained outside counsel, Bennett Jones LLP ("**Bennett Jones**"), to advise BlackPearl with respect to business combinations generally, including a potential transaction with IPC. The BlackPearl Board received general advice at the meeting from Bennett Jones regarding its fiduciary duties and certain corporate governance matters relating, in particular, to a potential transaction with IPC.

On September 5, 2018, the management of BlackPearl contacted GMP FirstEnergy and advised GMP FirstEnergy of the discussions between BlackPearl and IPC. BlackPearl's management also advised GMP FirstEnergy that the BlackPearl Board was seeking advice on current market conditions in the Canadian oil and gas sector including recent M&A activities, an assessment of BlackPearl's performance relative to its peers, an assessment of potential transaction counterparties, including IPC,

as well as other strategic options available to BlackPearl, including continuing with BlackPearl's existing strategy as a stand-alone entity or becoming a dividend paying company.

On September 18, 2018, the BlackPearl Board met, with representatives of GMP FirstEnergy and Bennett Jones in attendance. GMP FirstEnergy delivered a presentation with respect to the current equity and M&A market conditions, strategic alternatives available to BlackPearl, the current buyer universe for BlackPearl and potential value expectations. After taking into consideration the information provided by GMP FirstEnergy and advice provided by Bennett Jones, following a lengthy discussion, the BlackPearl Board concluded that it was not supportive of a valuation of the company in the range suggested by IPC. The BlackPearl Board directed management of BlackPearl to advise IPC that its proposal was not adequate, but to continue discussions with IPC to determine if IPC could reach a higher valuation of BlackPearl.

Over the next several days, the management of each of BlackPearl and IPC had several conversations and email exchanges regarding IPC's non-binding proposal and whether a higher valuation was possible. The discussions continued to be of a preliminary nature and no details of a potential transaction were proposed or discussed.

On September 27, 2018, Mr. Nicholson contacted Mr. Festival to present a revised non-binding proposal that valued BlackPearl at C\$1.85 per BlackPearl Share in exchange for IPC Shares. Messrs. Festival and Nicholson agreed that they would present the proposal to their respective boards for consideration.

Later on September 27, 2018 Mr. Festival sent an email to Mr. Nicholson requesting clarification of certain terms of IPC's revised non-binding proposal, including the determination that the exchange ratio would be based on the 30-day volume weighted average price ("**VWAP**") of the IPC Shares.

On September 28, 2018, Mr. Nicholson sent an email to Mr. Festival to, among other things, confirm that the determination of the exchange ratio would be based on the 30-day VWAP of the IPC Shares.

On September 29, 2018, the management of BlackPearl met with the management of IPC to discuss additional commercial terms relating to IPC's non-binding proposal, including the potential determination of the management staff for the Canadian operations of IPC following completion of the Arrangement and other transitional matters, including the appointment of Mr. Festival to the IPC Board following completion of the Arrangement.

Also on September 29, 2018, the management of BlackPearl contacted GMP FirstEnergy and advised them that IPC was prepared to increase its valuation of BlackPearl to C\$1.85 per share based on a 30-day VWAP of the IPC Shares and that BlackPearl wanted to formally retain GMP FirstEnergy as its financial advisor. GMP FirstEnergy and BlackPearl entered into a formal engagement letter effective October 1, 2018. Thereafter, GMP FirstEnergy received certain confidential information from IPC, including reserve reports and internal financial and operational forecasts.

On September 29 and 30, 2018, Mr. Nicholson briefed the remaining members of the IPC Board with respect to IPC's non-binding proposal to acquire all of the outstanding BlackPearl Shares in exchange for IPC Shares, which would value BlackPearl at C\$1.85 per share based on a 30-day VWAP of the IPC Shares. Mr. Nicholson also discussed with Mr. Donald Charter, the Chair of the Nominating and Corporate Governance Committee of the IPC Board, the need to appoint a special committee of the IPC Board to consider the potential business combination involving IPC and BlackPearl having regard to a number of factors, including that certain affiliates of a significant IPC Shareholder were also significant BlackPearl Shareholders.

On October 1, 2018, the BlackPearl Board met, with representatives of Bennett Jones in attendance, and Mr. Festival advised the BlackPearl Board that IPC had presented a revised non-binding proposal to acquire all of the outstanding BlackPearl Shares in exchange for IPC Shares, which would attribute a value of C\$1.85 per BlackPearl Share based on a 30-day VWAP of the IPC Shares. The directors of BlackPearl discussed generally certain commercial terms of the proposed business combination with IPC and the benefits of the transaction to BlackPearl and the BlackPearl Shareholders and the consensus was that the transaction, as outlined, would be beneficial to the BlackPearl Shareholders. The BlackPearl Board authorized management of BlackPearl to continue negotiations with IPC in respect of the proposed business combination, based on the terms discussed with the BlackPearl Board. Mr. Festival advised the BlackPearl Board that GMP FirstEnergy had formally been retained by BlackPearl as financial advisor and, if needed, to deliver a fairness opinion.

At the BlackPearl Board meeting held on October 1, 2018, the BlackPearl Board also discussed the need to appoint a special committee to consider the potential business combination involving IPC and BlackPearl having regard to a number of factors, including that certain directors of BlackPearl have current and past, direct or indirect, relationships with certain BlackPearl Shareholders and their affiliates and that those BlackPearl Shareholders were affiliates of a significant IPC Shareholder. After receiving advice from Bennett Jones, the directors agreed that the appointment of a special committee was appropriate in the circumstances. Mr. Brian Edgar, Ms. Joanne Hruska and Mr. Victor Luhowy were appointed as the members of the BlackPearl Special Committee and Mr. Edgar was appointed as the Chair of the BlackPearl Special Committee. The management of BlackPearl left the meeting and then the BlackPearl Board held an *in-camera* session in the absence of management.

Also on October 1, 2018, the IPC Board agreed to constitute the IPC Special Committee, comprised of Mr. Donald Charter (as Chair of the IPC Special Committee), Mr. Torstein Sanness and Ms. Daniella Dimitrov, and authorized the IPC Special Committee to retain a financial advisor to deliver a fairness opinion in connection with the IPC's non-binding proposal to acquire all of the outstanding BlackPearl Shares in exchange for IPC Shares, which would attribute a value of C\$1.85 per BlackPearl Share based on a 30-day VWAP of the IPC Shares. On October 2, 2018, the IPC Special Committee retained Paradigm Capital as financial advisor and, if needed, to deliver a fairness opinion.

On October 2, 2018, the BlackPearl Special Committee met, with representatives of GMP FirstEnergy and Bennett Jones in attendance, to receive a presentation from GMP FirstEnergy and legal advice from Bennett Jones regarding the fiduciary duties and responsibilities of directors in response to an unsolicited proposal for a business combination. The BlackPearl Special Committee also discussed a draft mandate of the BlackPearl Special Committee presented to them by Bennett Jones. Among other things, the mandate provides that the BlackPearl Special Committee was being formed to consider the proposed business combination involving BlackPearl and IPC and any alternatives thereto, including continuing to pursue BlackPearl's existing strategy. Following a detailed discussion, the BlackPearl Special Committee determined to present the mandate to the BlackPearl Board for its approval.

By written resolution dated October 3, 2018, the BlackPearl Board approved the mandate of the BlackPearl Special Committee.

On October 5, 2018, the IPC Board met with management of IPC and were provided an update on the status of the proposed business combination with BlackPearl, including the key commercial terms in connection therewith. The IPC Board authorized management of IPC to continue negotiations with BlackPearl in respect of the proposed business combination, based on the terms discussed with the IPC Board.

Also on October 5, 2018, the IPC Special Committee met, with management of IPC and representatives of Paradigm Capital in attendance, to discuss the proposed business combination involving IPC and BlackPearl and to review and consider the specific terms of the transaction negotiated by IPC and BlackPearl and the anticipated benefits to IPC and the IPC Shareholders of entering into the proposed transaction with BlackPearl. At the meeting, Paradigm Capital delivered its verbal fairness opinion, which stated that, as of the date thereof, and based on Paradigm Capital's analysis and subject to the review by Paradigm Capital of the definitive agreements to be executed in connection with the transaction with BlackPearl, the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders. The IPC Special Committee then held an *in-camera* session with Paradigm Capital, as well as an *in camera* session of the IPC Special Committee only.

Shortly after the October 5, 2018 IPC Special Committee meeting, certain members of the IPC Special Committee held an *in camera* session with IPC's legal counsel, Blake, Cassels & Graydon LLP ("**Blakes**").

On October 6, 2018, BlackPearl management met with IPC management to negotiate additional terms of the proposed business combination, including the amount of the termination fee in the event the proposed transaction did not close in certain circumstances, the exchange ratio of IPC Shares to be received for each BlackPearl Share, support agreements to be entered into by the directors and officers of BlackPearl and certain other BlackPearl Shareholders, the proposed treatment of the outstanding BlackPearl Incentive Awards and the closing condition relating to the requirement for BlackPearl and IPC to obtain all necessary lender consents and waivers.

On October 8, 2018, the IPC Special Committee met, with management of IPC and representatives of Paradigm Capital present, to discuss the proposed business combination involving IPC and BlackPearl and to review and consider the specific terms of the transaction negotiated by IPC and BlackPearl and the anticipated benefits to IPC and the IPC Shareholders of entering into the proposed transaction with BlackPearl. Following a detailed discussion of the specific terms of the Arrangement Agreement and after considering the verbal fairness opinion of Paradigm Capital and the advice received from Blakes, the IPC Special Committee unanimously determined to recommend that the IPC Board: (a) determine that the Arrangement and the entry by IPC into the Arrangement Agreement are in the best interests of IPC; and (b) recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution, subject to the final negotiation of the terms of the Arrangement Agreement, the determination of the final exchange ratio and the receipt by the IPC Special Committee of the written IPC Fairness Opinion.

Immediately following the meeting of the IPC Special Committee, the IPC Board met to discuss the proposed business combination involving IPC and BlackPearl and to review and consider the specific terms of the transaction negotiated by IPC and BlackPearl and the anticipated benefits to IPC and the IPC Shareholders of entering into the proposed transaction with BlackPearl. Following a detailed discussion of the specific terms of the Arrangement Agreement and after considering the recommendation of the IPC Special Committee, the IPC Board unanimously, subject to the final negotiation of the terms of the Arrangement Agreement, the determination of the final exchange ratio and the receipt by the IPC Special Committee of the written IPC Fairness Opinion: (a) determined that the Arrangement and the entry by IPC into the Arrangement Agreement were in the best interests of IPC; (b) approved the Arrangement and the entering into by IPC of the Arrangement Agreement; and (c) resolved to recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution

On October 8, 2018, the BlackPearl Board met, with representatives of Bennett Jones in attendance, and Mr. Festival provided an update on the proposed business combination with IPC and a summary of the key commercial terms of the proposed business combination that were being negotiated with IPC including the amount of the termination fee in the event the proposed transaction did not close in certain circumstances, the exchange ratio of IPC Shares to be received for each BlackPearl Share, support agreements to be entered into by the directors and officers of BlackPearl and certain other BlackPearl Shareholders, the proposed treatment of the outstanding BlackPearl Incentive Awards and the closing condition relating to the requirement for BlackPearl and IPC to obtain all necessary lender consents and waivers. The BlackPearl Board discussed at length the proposed transaction with IPC generally, including, in particular, the C\$1.85 per share value being attributed to the BlackPearl Shares and the 30-day VWAP of the IPC Shares.

After the markets closed on October 9, 2018, the BlackPearl Special Committee met, with representatives of GMP FirstEnergy and Bennett Jones in attendance, to discuss the proposed business combination involving BlackPearl and IPC and to review and consider the specific terms of the transaction negotiated by BlackPearl and IPC and the anticipated benefits to BlackPearl and the BlackPearl Shareholders of entering into the proposed transaction with IPC. At the meeting, GMP FirstEnergy delivered its verbal fairness opinion which stated that, based on GMP FirstEnergy's analysis and subject to the review by GMP FirstEnergy of the definitive agreements to be executed in connection with the transaction with IPC, the consideration to be received under the Arrangement pursuant to the terms of the Arrangement Agreement is fair, from a financial point of view, to the BlackPearl Shareholders. Bennett Jones gave a detailed summary of the terms of the Arrangement Agreement and discussed the mutual closing condition relating to the requirement for BlackPearl and IPC to obtain all necessary consents and waivers from their respective lenders. Bennett Jones also gave a presentation regarding the fiduciary duties and responsibilities of directors in response to an unsolicited proposal for a business combination and responded to several questions. Following a detailed discussion of the specific terms of the proposed Arrangement Agreement and after considering the verbal fairness opinion of GMP FirstEnergy and the advice received from Bennett Jones, the BlackPearl Special Committee determined: (a) that the Arrangement is fair to the BlackPearl Shareholders; (b) that the Arrangement and the entry by BlackPearl into the Arrangement Agreement are in the best interests of BlackPearl and the BlackPearl Shareholders; and (c) to recommend to the BlackPearl Board that the BlackPearl Board approve the Arrangement and the Arrangement Agreement and recommend to the BlackPearl Shareholders that they vote in favour of the Arrangement

Immediately following the meeting of the BlackPearl Special Committee, the BlackPearl Board met, with representatives of GMP FirstEnergy and Bennett Jones in attendance, to discuss the proposed

business combination involving BlackPearl and IPC and to review and consider the specific terms of the transaction negotiated by BlackPearl and IPC and the anticipated benefits to BlackPearl and the BlackPearl Shareholders of entering into the proposed transaction with IPC. The BlackPearl Board discussed the proposed transaction with IPC generally, including, in particular, the C\$1.85 per share value being attributed to the BlackPearl Shares. At the meeting, GMP FirstEnergy delivered its verbal fairness opinion which stated that, based on GMP FirstEnergy's analysis and subject to the review by GMP FirstEnergy of the definitive agreements to be executed in connection with the transaction with IPC, the consideration to be received under the Arrangement pursuant to the terms of the Arrangement Agreement is fair, from a financial point of view, to the BlackPearl Shareholders. Bennett Jones gave a brief summary of the terms of the Arrangement Agreement and discussed the mutual closing condition relating to the requirement for BlackPearl and IPC to obtain all necessary consents and waivers from their respective lenders. Bennett Jones also gave a brief presentation regarding the fiduciary duties and responsibilities of directors in response to an unsolicited proposal for a business combination. The BlackPearl Board considered, among several things: (a) the business, operations, assets, financial condition and prospects of BlackPearl, including current and prospective industry, commodity and other market conditions affecting BlackPearl; (b) the business, operations, assets, financial condition and prospects of IPC; (c) the trading prices of BlackPearl; (d) the other alternatives that had been evaluated by GMP FirstEnergy; and (e) the risks associated with the completion of the Arrangement.

Following a discussion of the specific terms of the proposed Arrangement Agreement and after considering the verbal fairness opinion of GMP FirstEnergy, the advice received from Bennett Jones and the recommendation of the BlackPearl Special Committee, the BlackPearl Board unanimously determined: (a) that the Arrangement is fair to the BlackPearl Shareholders; (b) that the Arrangement and the entry by BlackPearl into the Arrangement Agreement are in the best interests of BlackPearl and the BlackPearl Shareholders; and (c) to recommend to the BlackPearl Shareholders that they vote in favour of the Arrangement. The BlackPearl Board also unanimously approved the execution and delivery of the Arrangement Agreement and authorized BlackPearl to consummate the Arrangement and the other transactions contemplated by the Arrangement Agreement on the terms set forth therein.

Following the meeting of the BlackPearl Board on October 9, 2018, and the receipt of the final Arrangement Agreement and the IPC Fairness Opinion by the IPC Special Committee, and the determination of the Exchange Ratio, the Arrangement Agreement, the IPC Support Agreements and the BlackPearl Support Agreements were executed and delivered and, immediately thereafter, IPC and BlackPearl issued a joint news release announcing the Arrangement.

On November 8, 2018, the IPC Board approved the contents and mailing of the Circular to the IPC Shareholders, subject to any amendments that may be approved by the management of IPC, and ratified its previous recommendations to the IPC Shareholders with respect to the IPC Share Issuance Resolution.

On November 8, 2018, the BlackPearl Board approved the contents and mailing of the Circular to the BlackPearl Securityholders, subject to any amendments that may be approved by the management of BlackPearl, and ratified its previous recommendations to the BlackPearl Shareholders with respect to the BlackPearl Arrangement Resolution.

Reasons for the Arrangement – IPC

The Arrangement is consistent with and furthers the stated strategy of IPC to build a new international upstream company focused on creating long-term value launched at a favourable time in the industry cycle to acquire and grow a significant resource base.

The IPC Board, in reaching the determination to approve the Arrangement and the Arrangement Agreement and to recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution, considered, among other things a number of strategic, financial, operational and other factors, including those matters described under "*Attributes of the Arrangement*", as well as the following factors and potential benefits and risks of the Arrangement:

- ***Opportunity for Holdings in a Larger, More Diversified Company.*** IPC Shareholders are expected to benefit from increases in the proved plus probable reserves base, the contingent resource base, the forecast production, the reserves life index and the oil weighting associated with the combined entity, which is anticipated to be a larger and more diverse company than IPC as it currently exists;

- **Fairness Opinion from Paradigm Capital.** The IPC Fairness Opinion of Paradigm Capital provides that, as of October 9, 2018, and based upon and subject to the various assumptions, explanations, qualifications and limitations set forth therein, the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders. See "*IPC Fairness Opinion*"; and
- **Level of Transaction Certainty.** The level of transaction certainty offered by the Arrangement, including the assessment by the IPC Board and the IPC Special Committee as to the commitment and ability of BlackPearl to complete the transactions contemplated by the Arrangement Agreement and the likelihood of completing the Arrangement, considering the totality of the terms of the Arrangement Agreement and the absence of significant closing conditions.
- **IPC Executive Officer, Director and Major Shareholder Support.** All of the directors and executive officers of IPC, as well as the largest IPC Shareholder, who collectively hold approximately 34% of the outstanding IPC Shares, have entered into IPC Support Agreements.
- **BlackPearl Executive Officer, Director and Major Shareholder Support.** All of the directors and executive officers of BlackPearl, as well as certain other BlackPearl Securityholders, who collectively hold approximately 35% of the outstanding BlackPearl Shares, have entered into the BlackPearl Support Agreements.
- **IPC Shareholder Approval.** The IPC Share Issuance Resolution must be approved by a majority of the votes cast by IPC Shareholders at the IPC Shareholders' Meeting after excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual. If the IPC Share Issuance Resolution is not approved, the Arrangement cannot proceed as proposed.

The foregoing discussion of the information and factors considered by the IPC Board is not intended to be exhaustive. In addition, the IPC Board did not assign any relative or specific weights to the foregoing factors, and individual members of the IPC Board may have given differing weights to different factors.

Reasons for the Arrangement – BlackPearl

In the course of its evaluation of the Arrangement and reaching its decision to approve the Arrangement and the Arrangement Agreement, the BlackPearl Board consulted with BlackPearl's senior management, received advice from independent legal and financial advisors and considered the recommendation of the BlackPearl Special Committee. The BlackPearl Special Committee and the BlackPearl Board carefully considered all aspects of the Arrangement and the Arrangement Agreement and considered a number of factors in unanimously determining that the Arrangement is fair to the BlackPearl Shareholders and is in the best interests of BlackPearl and the BlackPearl Shareholders and in recommending that BlackPearl Shareholders vote in favour of the BlackPearl Arrangement Resolution, including the following:

- **Value Compared to Other Alternatives.** The value offered to BlackPearl Shareholders under the Arrangement is more favourable to BlackPearl Shareholders than the potential value that might have resulted from other strategic alternatives available to BlackPearl, including: (a) remaining a publicly traded company and continuing to pursue its business strategies; or (b) exploring the possibility of an alternative transaction, in each case taking into consideration the potential benefits, risks and uncertainties associated with such other alternatives, each within a timeframe comparable to that in which the Arrangement is expected to be completed.
- **Substantial Premium to Shareholders.** The Exchange Ratio represents an acquisition price of C\$1.85 per BlackPearl Share based on the 30-day VWAP of the IPC Shares on the TSX for the period ended October 9, 2018, the last trading day prior to the execution of the Arrangement Agreement by BlackPearl and IPC. On this basis, the consideration to be paid to BlackPearl Shareholders under the Arrangement represents a 42% premium to the closing price of the BlackPearl Shares on the TSX on October 9, 2018 and a 49% premium to the 30-day VWAP on the TSX for the period ended October 9, 2018.

- **Opportunity for Holdings in a Larger, More Diversified Company.** As BlackPearl Shareholders will be entitled to receive IPC Shares, the Arrangement offers BlackPearl Shareholders the opportunity to participate in the future potential growth of IPC, a leading independent oil and gas company focused on production of high quality assets in stable jurisdictions around the world. In addition, former BlackPearl Shareholders, through their ownership of IPC Shares following completion of the Arrangement, will gain exposure to the free cash flow of IPC's diversified asset base, while retaining the upside exposure to BlackPearl's quality resource base. BlackPearl Shareholders will have the opportunity to participate not only in BlackPearl's business, but also in the more diversified business of IPC.
- **Fairness Opinion from GMP FirstEnergy.** The BlackPearl Fairness Opinion of GMP FirstEnergy provides that, as of October 9, 2018, and subject to the assumptions, limitations, qualifications and other matters contained therein, the consideration to be received by BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the BlackPearl Shareholders.
- **Level of Transaction Certainty.** The level of transaction certainty offered by the Arrangement, including the assessment by the BlackPearl Board and the BlackPearl Special Committee as to the commitment and ability of IPC to complete the transactions contemplated by the Arrangement Agreement and the likelihood of completing the Arrangement, considering the totality of the terms of the Arrangement Agreement and the absence of significant closing conditions.
- **Terms of the Arrangement Agreement.** The Arrangement Agreement allows the BlackPearl Board to consider, subject to certain conditions, other Acquisition Proposals, to change its recommendation to the BlackPearl Shareholders in certain circumstances and to terminate the Arrangement Agreement to enter into a Superior Proposal (subject to payment by BlackPearl of the Termination Fee in certain circumstances). The terms and conditions of the Arrangement Agreement were extensively negotiated by BlackPearl and IPC with the assistance of their respective financial and legal advisors, including the representations, warranties and covenants of BlackPearl and IPC therein, and the conditions to the respective obligations of BlackPearl and IPC, which, in the judgment of the BlackPearl Board and BlackPearl Special Committee, are reasonable in the circumstances.
- **BlackPearl Executive Officer, Director and Major Shareholder Support.** All of the directors and executive officers of BlackPearl, as well as certain other BlackPearl Securityholders, who collectively hold approximately 35% of the outstanding BlackPearl Shares, have entered into the BlackPearl Support Agreements.
- **IPC Executive Officer, Director and Major Shareholder Support.** All of the directors and executive officers of IPC, as well as the largest IPC Shareholder, who collectively hold approximately 34% of the outstanding IPC Shares, have entered into IPC Support Agreements.
- **Dissent Rights.** The fact that registered BlackPearl Shareholders will have the right to dissent in respect of the BlackPearl Arrangement Resolution and demand payment of the fair value of their BlackPearl Shares.
- **BlackPearl Securityholder Approval.** The BlackPearl Arrangement Resolution must be approved by: (a) not less than two-thirds (66⅔%) of the votes cast by BlackPearl Securityholders, voting together as a single class, present in person or represented by proxy at the BlackPearl Securityholders' Meeting; and (b) not less than a simple majority of the votes cast by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by those persons whose votes are required to be excluded under MI 61-101. In addition, pursuant to and in accordance with the policies of the TSX, BlackPearl will be required to obtain the approval of the BlackPearl Arrangement Resolution by a majority of the votes cast by the BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting.

In reaching their respective determinations, the BlackPearl Special Committee and the BlackPearl Board also considered a number of potential risks and potential negative factors relating to the Arrangement, including the following:

- **Risks of Non-Completion.** The risks to BlackPearl if the Arrangement is not completed in a timely manner or at all, including the costs incurred in pursuing the Arrangement, the potential requirement to pay the Termination Fee to, or reimburse expenses of, IPC in certain circumstances, the diversion of management resources away from the conduct of BlackPearl's business and the resulting uncertainty which might result in BlackPearl's customers, suppliers, distributors, partners or other counterparties delaying or deferring decisions concerning, or evaluating their relationships with, BlackPearl.
- **No Formal Market Check.** The fact that BlackPearl has not conducted a public solicitation process or formal "market check" prior to entering into the Arrangement Agreement, having regard to the facts that IPC's offer represented a significant premium to the price of the BlackPearl Shares on the TSX at the time of entering into the Arrangement Agreement, BlackPearl agreed to negotiate exclusively with IPC for a certain period of time and the Arrangement Agreement allows BlackPearl to consider other Acquisition Proposals and to change its recommendation to the BlackPearl Shareholders, in certain circumstances.
- **Limitations on Solicitation and Termination Fee.** The Arrangement Agreement contains limitations on BlackPearl's ability to solicit additional interest from third parties for Acquisition Proposals, including the required parameters for a Superior Proposal, and the potential requirement to pay the Termination Fee to IPC in certain circumstances.
- **Lack of Future Superior Proposals.** If the Arrangement Agreement is terminated and BlackPearl decides to seek another acquisition transaction, there can be no assurance that BlackPearl will be able to find a party willing to pay an equivalent or more attractive price than the consideration to be received by the BlackPearl Shareholders under the Arrangement.
- **Restrictions on Business.** The restrictions imposed pursuant to the Arrangement Agreement on the conduct of BlackPearl's business and operations during the period between the execution of the Arrangement Agreement and the completion of the Arrangement.
- **Failure to Obtain Regulatory and Other Approvals.** The risk that necessary regulatory and other approvals will not be obtained or that such approvals will unduly delay closing.

In reaching its respective determinations, the BlackPearl Special Committee and the BlackPearl Board also considered and evaluated, among other things:

- current industry, economic and market conditions and trends; and
- other stakeholders, including creditors, suppliers, employees, customers and the communities in which BlackPearl operates, and noted in this regard the longer-term prospects of IPC, whose financial and strategic resources are well-suited to the underlying nature of BlackPearl's business.

The foregoing discussion of the information and consideration of factors by the BlackPearl Special Committee and the BlackPearl Board is not intended to be exhaustive but summarizes the material factors considered by the BlackPearl Special Committee and the BlackPearl Board in their consideration of the Arrangement. The BlackPearl Special Committee and the BlackPearl Board collectively reached their respective unanimous decisions with respect to the Arrangement in light of the factors described above and other factors that each member of the BlackPearl Special Committee and the BlackPearl Board considered appropriate.

Attributes of the Arrangement

Both IPC and BlackPearl expect IPC, following completion of the Arrangement, to offer the following benefits for shareholders of both IPC and BlackPearl:

- **Stable Long-Term Production.** IPC will have estimated average combined production of approximately 45,250 boe/d for 2018, based on the mid-point guidance of IPC and BlackPearl, across a diverse set of oil and gas assets in Canada (Alberta and Saskatchewan), Malaysia and Europe. Production is expected to be comprised of approximately 61% liquids (40% heavy oil and 21% light oil and condensate) and 39% natural gas. Production is expected to be weighted approximately 78% from Canada, 15% from Malaysia and 7% from Europe.
- **Strong Reserves and Resources.** IPC will have combined gross proved plus probable reserves of 291.5 MMboe (as at December 31, 2017) and best estimate contingent resources of 852.9 MMboe (as at December 31, 2017). IPC's reserves life index will be approximately 17.6 years on a proved plus probable basis.
- **Organic Growth Opportunities.** IPC will have a deep inventory of high quality drilling prospects and identified future development projects, with the potential to generate positive returns and deliver organic production and reserves growth.
- **Strong Balance Sheet.** IPC is expected to have strong financial liquidity from the cash flows generated by its operations throughout the world, as well as continued access to unutilized amounts under the IPC Credit Facilities to accelerate investment in IPC's growth projects following completion of the Arrangement.
- **Ability to Optimize Capital Allocation.** IPC will have a diverse portfolio of assets in Canada, Malaysia and Europe, allowing it to prioritize investment opportunities from the enlarged portfolio and achieve attractive returns for shareholders.
- **Strong Management and Board.** The existing IPC Board and management will be complemented by the addition of BlackPearl representatives to the IPC Board and in local and senior management. IPC will have substantial local knowledge and operating capabilities.
- **Increased Scale And Expanded Investor Base.** IPC is expected to have improved access to a greater universe of institutional and retail investors on both the TSX and Nasdaq. IPC's current dual listing and its significant access to a European investor base, combined with the BlackPearl's existing North American investor base, is expected to benefit all shareholders following completion of the Arrangement as a result of improved liquidity and market attention.

IPC Fairness Opinion

The IPC Special Committee formally retained Paradigm Capital on October 2, 2018 to provide, among other things, financial advisory services in connection with a potential transaction involving BlackPearl and requested Paradigm Capital to prepare and deliver an opinion as to whether the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders.

Neither Paradigm Capital nor any of its affiliates or associates is an insider, associate or affiliate of IPC or BlackPearl or any of their respective associates or affiliates. Paradigm Capital is not acting as an advisor to BlackPearl or IPC or any of their respective associates or affiliates in connection with any other matter, other than acting as financial advisor to the IPC Special Committee.

In consideration for its services, IPC agreed to pay a fixed fee to Paradigm Capital (which is not contingent on the completion of the Arrangement), to reimburse Paradigm Capital for reasonable out-of-pocket expenses and to indemnify Paradigm Capital in respect of certain liabilities which may be incurred by it in connection with its arrangement.

Paradigm Capital has provided the IPC Special Committee with the IPC Fairness Opinion, which states that, as of the date thereof, the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders. The IPC Fairness Opinion is subject to the assumptions and limitations contained therein and should be read in its entirety. See Appendix F to the Circular.

The views of Paradigm Capital were an important consideration in the IPC Special Committee's recommendation that the IPC Board decide to proceed with the Arrangement.

Recommendation of the IPC Special Committee

At a meeting of the IPC Special Committee held on October 8, 2018, prior to entering into the Arrangement Agreement, the IPC Special Committee considered the acquisition of BlackPearl on the terms and conditions as provided in the Arrangement Agreement, as well as the verbal opinion from Paradigm Capital stating that the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders. The IPC Special Committee unanimously determined to recommend that the IPC Board (a) determine that the Arrangement and the entry by IPC into the Arrangement Agreement are in the best interests of IPC and (b) recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution. In coming to its conclusion and recommendations, the IPC Special Committee considered, among others, the following factors:

- (a) the purpose and benefits of the Arrangement as outlined elsewhere in this prospectus, including under "*Background to the Arrangement*", "*Reasons for the Arrangement – IPC*" and "*Attributes of the Arrangement*";
- (b) information provided by management of IPC concerning the financial condition, results of operations, business plans and prospects of IPC and BlackPearl, and the resulting potential for the enhancement of the business efficiency, management effectiveness and financial results of IPC following completion of the Arrangement; and
- (c) the advice and assistance of Paradigm Capital in evaluating the Arrangement. See "*IPC Fairness Opinion*" and Appendix F to the Circular.

The foregoing discussion of the information and factors considered by the IPC Special Committee is not intended to be exhaustive. In addition, in reaching the determination to recommend that the IPC Board approve the Arrangement and the Arrangement Agreement and recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution, the IPC Special Committee did not assign any relative or specific weights to the foregoing factors which were considered, and individual members of the IPC Special Committee may have given differing weights to different factors.

In reaching its determination, the IPC Special Committee realized that there were risks associated with the Arrangement, including that some or all of the potential benefits in connection therewith may not be realized or that there may be significant costs associated with realizing such benefits. The IPC Special Committee believes that the factors in favour of the Arrangement outweigh the risks and potential disadvantages, although there can be no assurance in this regard. See "*Risk Factors*".

Recommendation of the IPC Board

At a meeting of the IPC Board held on October 8, 2018, prior to entering into the Arrangement Agreement, the IPC Board considered the acquisition of BlackPearl on the terms and conditions as provided in the Arrangement Agreement, as well as the unanimous recommendation of the IPC Special Committee. The IPC Board unanimously (a) determined that the Arrangement and the entry by IPC into the Arrangement Agreement were in the best interests of IPC; (b) approved the Arrangement and the entering into by IPC of the Arrangement Agreement; and (c) resolved to recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution. In coming to its conclusion and recommendations, the IPC Board considered, among others, the following factors:

- (a) the recommendation of the IPC Special Committee;
- (b) the purpose and benefits of the Arrangement as outlined elsewhere in this prospectus, including under "*Background to the Arrangement*", "*Reasons for the Arrangement – IPC*" and "*Attributes of the Arrangement*"; and

- (c) information provided by management of IPC concerning the financial condition, results of operations, business plans and prospects of IPC and BlackPearl, and the resulting potential for the enhancement of the business efficiency, management effectiveness and financial results of IPC following completion of the Arrangement.

The foregoing discussion of the information and factors considered by the IPC Board is not intended to be exhaustive. In addition, in reaching the determination to approve the Arrangement and the Arrangement Agreement and recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution, the IPC Board did not assign any relative or specific weights to the foregoing factors which were considered, and individual members of the IPC Board may have given differing weights to different factors.

In reaching its determination, the IPC Board realized that there were risks associated with the Arrangement, including that some or all of the potential benefits in connection therewith may not be realized or that there may be significant costs associated with realizing such benefits. The IPC Board believes that the factors in favour of the Arrangement outweigh the risks and potential disadvantages, although there can be no assurance in this regard. See "*Risk Factors*".

BlackPearl Fairness Opinion

The BlackPearl Board formally retained GMP FirstEnergy effective October 1, 2018 to provide, among other things, financial advisory services in connection with a potential transaction involving IPC and requested GMP FirstEnergy to prepare and deliver an opinion as to whether the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the BlackPearl Shareholders.

Neither GMP FirstEnergy nor any of its affiliates or associates is an insider, associate or affiliate of BlackPearl or IPC or any of their respective associates or affiliates. GMP FirstEnergy is not acting as an advisor to BlackPearl or IPC or any of their respective associates or affiliates in connection with any other matter, other than acting as financial advisor to BlackPearl.

In consideration for its services, BlackPearl agreed to pay fees to GMP FirstEnergy (a portion of which is not contingent on the completion of the Arrangement), to reimburse GMP FirstEnergy for reasonable out-of-pocket expenses and to indemnify GMP FirstEnergy in respect of certain liabilities which may be incurred by it in connection with its arrangement.

GMP FirstEnergy has provided the BlackPearl Board with the BlackPearl Fairness Opinion, which states that, as of the date thereof, the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the BlackPearl Shareholders. The BlackPearl Fairness Opinion is subject to the assumptions and limitations contained therein and should be read in its entirety. See Appendix G to the Circular.

The views of GMP FirstEnergy were an important consideration in the BlackPearl Special Committee's recommendation that the BlackPearl Board decide to proceed with the Arrangement.

Recommendation of the BlackPearl Special Committee

In making its determinations and arriving at its recommendations, the BlackPearl Special Committee considered and relied upon a number of substantive factors, carefully considered all aspects of the Arrangement Agreement and the Arrangement, and considered a variety of uncertainties, risks and other potentially negative factors concerning the Arrangement and the Arrangement Agreement, which the BlackPearl Special Committee unanimously concluded were outweighed by the potential benefits of the Arrangement, although there can be no assurance in this regard. The BlackPearl Special Committee did not assign any relative or specific weights to the foregoing factors which were considered, and individual members of the BlackPearl Special Committee may have given differing weights to different factors. See "*Reasons for the Arrangement – BlackPearl*".

Having undertaken a thorough and thoughtful review of, and carefully considered, information concerning BlackPearl, IPC and the Arrangement, and after consulting with independent financial and legal advisors, the BlackPearl Special Committee has unanimously: (a) determined that the Arrangement is fair to the BlackPearl Shareholders; (b) determined that the Arrangement and the entry by BlackPearl into the Arrangement Agreement are in the best interests of BlackPearl and the BlackPearl Shareholders; and (c) recommended that the BlackPearl Board approve the Arrangement

and the Arrangement Agreement and recommend to the BlackPearl Shareholders that they vote in favour of the Arrangement.

Recommendation of the BlackPearl Board

In making its determinations and arriving at its recommendations, the BlackPearl Board considered and relied upon a number of substantive factors, carefully considered all aspects of the Arrangement Agreement and the Arrangement, and considered a variety of uncertainties, risks and other potentially negative factors concerning the Arrangement and the Arrangement Agreement, which the BlackPearl Board unanimously concluded were outweighed by the potential benefits of the Arrangement, although there can be no assurance in this regard. The BlackPearl Board did not assign any relative or specific weights to the foregoing factors which were considered, and individual members of the BlackPearl Board may have given differing weights to different factors. See "*Reasons for the Arrangement – BlackPearl*".

After careful consideration, the BlackPearl Board, having received the unanimous recommendation of the BlackPearl Special Committee and the advice of independent legal and financial advisors, has unanimously determined that: (a) the Arrangement is fair to the BlackPearl Shareholders; (b) it will recommend that the BlackPearl Shareholders vote in favour of the BlackPearl Arrangement Resolution; and (c) the Arrangement and the entry by BlackPearl into the Arrangement Agreement are in the best interests of BlackPearl and the BlackPearl Shareholders.

REGISTRATION WITH EUROCLEAR SWEDEN

Only Common Shares registered in the Swedish local central securities depository system with Euroclear Sweden will be subject to trading on Nasdaq Stockholm following the Listing. Holders of Common Shares listed on the TSX will be entitled to register those Common Shares in the depository system at Euroclear Sweden in order to trade their securities on Nasdaq Stockholm and vice versa. In order to trade Common Shares on Nasdaq Stockholm, holders of Common Shares are advised to contact their nominee, bank or broker, as applicable. No physical share certificates representing Common Shares will be issued to holders of Common Shares through Euroclear Sweden.

RESPONSIBILITY FOR THE PROSPECTUS

The Board is responsible for the contents of this prospectus. The Board hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The board of directors of International Petroleum Corporation
Vancouver, British Columbia, Canada
November 28, 2018

STATEMENT FROM THE BOARD OF DIRECTORS OF BLACKPEARL

The description of BlackPearl in the Sections "*BlackPearl Resources in brief*" on pages 87-88 of this prospectus and "*Certain financial information regarding BlackPearl*" on pages 215-219 of this prospectus has been reviewed by the BlackPearl Board.

The BlackPearl Board hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this prospectus regarding BlackPearl as stated above, to the best of its knowledge, is correct and in accordance with the facts.

The board of directors of BlackPearl Resources Inc.
Calgary, Alberta, Canada
November 28, 2018

INFORMATION REGARDING THE ARRANGEMENT

Effect of the Arrangement

BlackPearl Shares

The Arrangement will result in the issuance of 0.22 of an IPC Share in exchange for each BlackPearl Share to the former holders of BlackPearl Shares (excluding Dissenting BlackPearl Shareholders).

Assuming that there are no Dissenting BlackPearl Shareholders and that all in-the money BlackPearl Options are exercised and all BlackPearl RSUs are settled in accordance with the Plan of Arrangement, there is expected to be, immediately following the completion of the Arrangement, approximately 163.5 million IPC Shares issued and outstanding. Upon completion of the Arrangement: (a) former BlackPearl Shareholders are expected to collectively hold approximately 75.6 million IPC Shares, representing 46% of the then outstanding IPC Shares; and (b) IPC Shareholders immediately prior to the completion of the Arrangement are expected to collectively hold approximately 87.9 million IPC Shares, representing 54% of the then outstanding IPC Shares.

BlackPearl Incentive Awards

The completion of the Arrangement will result in a "change of control" under the terms of the BlackPearl Incentive Plans. Under the Arrangement, the vesting of all outstanding BlackPearl Options and BlackPearl RSUs will be accelerated to permit the exercise, settlement or surrender, as applicable, of the BlackPearl Options and BlackPearl RSUs immediately before or at the Effective Time in connection with the Arrangement.

In the case of the BlackPearl Options, each BlackPearl Option outstanding at the Effective Time that has an exercise price that is less than the BlackPearl Share Market Price shall be surrendered to BlackPearl and cancelled and be of no further force or effect and BlackPearl and IPC shall cease to have any liability or obligation in respect thereof, and the holders of such BlackPearl Options shall be entitled to receive from BlackPearl, in respect of each such surrendered BlackPearl Option, an amount equal to the BlackPearl Option In-the-Money Amount, payable in BlackPearl Shares, with the number of BlackPearl Shares issuable in payment thereof being equal to the BlackPearl Option In-the-Money Amount of such BlackPearl Options divided by the BlackPearl Share Market Price, in full satisfaction of BlackPearl's obligations under such BlackPearl Options.

Each BlackPearl Option outstanding at the Effective Time that has an exercise price that is equal to or greater than the BlackPearl Share Market Price shall be surrendered to BlackPearl and cancelled and be of no further force or effect and BlackPearl and IPC shall cease to have any liability or obligation in respect thereof, and the holders thereof shall be entitled to receive, in respect of all of such holder's surrendered BlackPearl Options, an aggregate cash payment from BlackPearl equal to C\$1.00, in full satisfaction of BlackPearl's obligations under such BlackPearl Options.

In the case of the BlackPearl RSUs, each BlackPearl RSU outstanding immediately prior to the Effective Time shall be deemed to be vested and a holder of such BlackPearl RSUs shall be entitled to receive from BlackPearl one BlackPearl Share for each BlackPearl RSU, in full satisfaction of BlackPearl's obligations under such BlackPearl RSUs.

Procedure for the Arrangement to Become Effective

Procedural Steps

The Arrangement is proposed to be carried out pursuant to Section 192 of the CBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- (a) the IPC Share Issuance Resolution must be approved by the IPC Shareholders at the IPC Shareholders' Meeting;
- (b) the BlackPearl Arrangement Resolution must be approved by the BlackPearl Securityholders at the BlackPearl Securityholders' Meeting in the manner set forth in the Interim Order;
- (c) the Court must grant the Final Order approving the Arrangement;

- (d) all conditions to the Arrangement, as set forth in the Arrangement Agreement, including the receipt of all required Regulatory Approvals, must be satisfied or waived by the appropriate Party; and
- (e) the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Director, must be filed with the Director.

There is no assurance that the conditions set forth in the Arrangement Agreement will be satisfied or waived on a timely basis or that the Court will grant the Final Order approving the Arrangement.

Upon the conditions set forth in the Arrangement Agreement being satisfied or waived, BlackPearl intends to file the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Director, with the Director in order to give effect to the Arrangement.

Participation and voting in the IPC Shareholders' Meeting and the BlackPearl Securityholders' Meeting

For information on how to vote or attend the IPC Shareholders' Meeting and the BlackPearl Securityholders' Meeting, reference is made to the Circular which is available under IPC's profile at SEDAR (www.sedar.com) and on IPC's website (www.international-petroleum.com).

Timing etc.

If the IPC Shareholders' Meeting and the BlackPearl Securityholders' Meeting are held as scheduled and are not adjourned or postponed, BlackPearl expects to apply for the Final Order approving the Arrangement on December 13, 2018. If the Final Order is obtained on December 13, 2018, in form and substance satisfactory to each of IPC and BlackPearl, and all other conditions set forth in the Arrangement Agreement are satisfied or waived, IPC and BlackPearl expect the Effective Date to be on or about December 14, 2018. It is not possible, however, to state with certainty when the Effective Date will occur.

The Arrangement will become effective upon the filing with the Director of the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Director.

The objective of IPC and BlackPearl is to have the Effective Date occur on or as soon as practicable after December 14, 2018. The Effective Date could, however, be delayed for a number of reasons.

Subject to certain exceptions, either Party may terminate the Arrangement Agreement if the Arrangement is not consummated by February 28, 2019.

After the IPC Share Issuance Resolution has been completed by the issue of the new IPC Shares and once the Arrangement has been completed, IPC will issue a press release including information on the completion of the Arrangement and the results of its issuance of new IPC Shares. IPC will also issue a press release at the end of the calendar month during which IPC issued the new IPC shares pursuant to the Arrangement stating the total number of new IPC Shares.

IPC will not receive any proceeds in conjunction with the Arrangement. IPC's estimated costs for the Arrangement is \$1.2 million which includes legal and financial advisory fees.

If the Arrangement is completed, IPC will issue up to a maximum of 81,157,106 new IPC Shares to the BlackPearl Shareholders on a fully diluted basis, resulting in IPC having up to 169,078,952 IPC Shares outstanding at completion of the Arrangement. This will lead to a dilution of existing IPC Shareholders' ownership of approximately 48 percent.⁴

⁴ Calculated by dividing the number of new IPC Shares with the number of outstanding IPC Shares after the issue of the new IPC Shares.

Securityholder Approvals

IPC Shareholder Approval

The IPC Share Issuance Resolution must be approved by a majority of the votes cast by the IPC Shareholders present in person or represented by proxy at the IPC Shareholders' Meeting after excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual. If the IPC Share Issuance Resolution is not approved by IPC Shareholders, the Arrangement cannot be completed.

Pursuant to Section 611(c) of the TSX Company Manual, shareholder approval is required in circumstances where the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds 25% of the number of securities outstanding of the issuer (on a non-diluted basis). The Arrangement could result in the issuance of up to a number of IPC Shares equal to approximately 92.30% of the 87,921,846 IPC Shares issued and outstanding (on a non-diluted basis) as of November 9, 2018. Notwithstanding the foregoing, based on the Exchange Ratio, IPC expects to issue approximately 75.6 million IPC Shares pursuant to the Arrangement, representing approximately 85.99% of the number of IPC Shares issued and outstanding (on a non-diluted basis) as of the date hereof. The Arrangement is not expected to materially affect control of IPC. The TSX will generally not require further approval by the IPC Shareholders for the issuance of up to an additional 20,289,277 IPC Shares, such number being 25% of the number of IPC Shares approved by IPC Shareholders for the Arrangement. IPC does not currently expect to issue any additional IPC Shares pursuant to the foregoing.

Pursuant to Section 611(b) of the TSX Company Manual, shareholder approval is required in circumstances where the number of securities issued or issuable to insiders as a group, together with any securities issued or made issuable to insiders as a group for acquisitions during the preceding six months, in payment of the purchase price for an acquisition exceeds 10% of the number of securities of the listed issuer (on a non-diluted basis), prior to the date of closing of the transaction. In such cases, insiders receiving securities pursuant to the transaction are not eligible to vote their securities in respect of such approval.

Lukas H. Lundin, the Chairman of the IPC Board, C. Ashley Heppenstall, a member of the IPC Board, and Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l., which together hold 100% of the outstanding Class C shares of Nemesia S.à.r.l. and control Nemesia S.à.r.l., beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 56,098,585 BlackPearl Shares, representing approximately 16.63% of the outstanding BlackPearl Shares. Mr. Lundin, Mr. Heppenstall and Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l. (which control Nemesia S.à.r.l.) are expected to receive 12,341,689 IPC Shares under the Arrangement, which represents approximately 14.04% of the number of IPC Shares outstanding (on a non-diluted basis) as of the date hereof. Following completion of the Arrangement, Mr. Lundin, Mr. Heppenstall and Nemesia S.à.r.l., together with Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l. (which control Nemesia S.à.r.l.), are expected to beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 41,130,739 IPC Shares.

Accordingly, as the number of IPC Shares issuable as consideration under the Arrangement to insiders of IPC, as a group, is expected to exceed 10% of the number of IPC Shares outstanding (on a non-diluted basis) as of the date hereof, the IPC Share Issuance Resolution must be approved by the IPC Shareholders, excluding the votes cast by Mr. Lundin, Mr. Heppenstall and Nemesia S.à.r.l. (which is controlled by Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l.). It is expected that the votes in respect of an aggregate of 28,789,050 IPC Shares held by such IPC Shareholders, representing approximately 32.74% of the outstanding IPC Shares, will be excluded pursuant to Section 611(b) of the TSX Company Manual for the purpose of determining approval of the IPC Share Issuance Resolution.

Unless otherwise directed, the Persons named in the form of proxy for the IPC Shareholders' Meeting intend to vote in favour of the IPC Share Issuance Resolution in the form set forth in Appendix A to the Circular.

Notwithstanding the foregoing, the IPC Share Issuance Resolution proposed for consideration by the IPC Shareholders authorizes the IPC Board, without further notice to or approval of the IPC Shareholders: (a) to amend the Arrangement Agreement, to the extent permitted by the Arrangement Agreement; (b) issue up to an additional 20,289,277 IPC Shares, such number being 25% of the IPC

Shares approved by IPC Shareholders to be issued pursuant to the Arrangement, provided that the additional IPC Shares are issued pursuant to an increase in the consideration under the Arrangement; and (c) subject to the terms of the Arrangement Agreement, to disregard the IPC Shareholders' approval and not proceed with the Arrangement at any time prior to the Effective Time. See Appendix A to the Circular for the full text of the IPC Share Issuance Resolution.

BlackPearl Securityholder Approval

Pursuant to the terms of the Interim Order, the BlackPearl Arrangement Resolution must, subject to further order of the Court, be approved by:

- (a) not less than two-thirds (66⅔%) of the votes cast by BlackPearl Securityholders, voting together as a single class, present in person or represented by proxy at the BlackPearl Securityholders' Meeting; and
- (b) not less than a simple majority of the votes cast by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by those persons whose votes are required to be excluded under MI 61-101.

Pursuant to MI 61-101, the approval of the BlackPearl Arrangement Resolution will require the affirmative vote of not less than a simple majority of the votes cast by the BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by Messrs. Festival, Cook, Sobel and Hogue. To the knowledge of the directors and executive officers of BlackPearl, after reasonable inquiry, Messrs. Festival, Cook, Sobel and Hogue beneficially own, in aggregate, 32,414,696 BlackPearl Shares, representing approximately 9.61% of the outstanding BlackPearl Shares, as of the date hereof.

In addition, pursuant to and in accordance with the policies of the TSX, BlackPearl will be required to obtain the approval of the BlackPearl Arrangement Resolution by a majority of the votes cast by the BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting.

Unless otherwise directed, the Persons named in the form of proxy for the BlackPearl Securityholders' Meeting intend to vote in favour of the BlackPearl Arrangement Resolution in the form set forth in Appendix B to the Circular.

Notwithstanding the foregoing, the BlackPearl Arrangement Resolution proposed for consideration by the BlackPearl Securityholders authorizes the BlackPearl Board, without further notice to or approval of the BlackPearl Securityholders: (a) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement and the Plan of Arrangement, as applicable; and (b) subject to the terms of the Arrangement Agreement, to disregard the approval of the BlackPearl Arrangement Resolution by the BlackPearl Securityholders and not proceed with the Arrangement at any time prior to the Effective Time. See Appendix B to the Circular for the full text of the BlackPearl Arrangement Resolution.

Information Concerning the BlackPearl SDRs

Registered holders of BlackPearl Shares are entitled to deposit their BlackPearl Shares with Pareto, a custodian bank in Sweden, in exchange for BlackPearl SDRs issued by Pareto and to register those BlackPearl SDRs in the depositary system with Euroclear Sweden in order to trade their BlackPearl SDRs on Nasdaq. The BlackPearl SDRs are listed on Nasdaq and trade in SEK. The BlackPearl SDRs issued by Pareto are evidence of ownership of one or more BlackPearl Shares that Pareto holds in trust. Certain terms and conditions apply to the BlackPearl SDRs as a result of a custodial arrangement between BlackPearl and Pareto, whereby Pareto has agreed to hold the BlackPearl Shares on behalf of the holders of the BlackPearl SDRs in a depositary account and to issue one BlackPearl SDR for each BlackPearl Share deposited into such account. Pareto deposits the BlackPearl Shares represented by the BlackPearl SDRs with a Canadian bank, which then registers the BlackPearl Shares in the name of CDS & Co. in the electronic securities system operated by CDS in Canada. The holders of the BlackPearl SDRs are entitled to the same rights as holders of BlackPearl Shares. The holders of BlackPearl SDRs are treated similarly as compared to beneficial BlackPearl Shareholders in Canada.

Pursuant to the terms of the custodial arrangement between BlackPearl and Pareto, Pareto is responsible, in accordance with Swedish Securities Laws, for providing the holders of the BlackPearl SDRs with information regarding any meeting of BlackPearl Shareholders and the procedures for exercising voting rights at such meetings. The holders of the BlackPearl SDRs are not registered holders of BlackPearl Shares for the purposes of voting at the BlackPearl Securityholders' Meeting. Accordingly, holders of BlackPearl SDRs will receive a Voting Instruction Form directly from Pareto in respect of the BlackPearl Securityholders' Meeting. A Voting Instruction Form cannot be used to vote the BlackPearl Shares directly at the BlackPearl Securityholders' Meeting. Instead, a Voting Instruction Form must be completed by each holder of BlackPearl SDRs and returned to Pareto strictly in accordance with the instructions and deadlines that will be described in the instructions provided with the Voting Instruction Form. The Voting Instruction Form in respect of the BlackPearl Securityholders' Meeting will specify that it will not be valid unless it is signed and dated and received by Pareto by not later than November 29, 2018.

Court Approval

Interim Order

On November 9, 2018, BlackPearl obtained the Interim Order providing for the calling and holding of the BlackPearl Securityholders' Meeting and other procedural matters.

Final Order

The Arrangement requires Court approval. Subject to the terms of the Arrangement Agreement, if the IPC Share Issuance Resolution and the BlackPearl Arrangement Resolution are approved at the IPC Shareholders' Meeting and the BlackPearl Securityholders' Meeting, respectively, BlackPearl will make an application to the Court for the Final Order at the Calgary Court Centre, 601 5 Street S.W., Calgary, Alberta, T2P 5P7 on Thursday, December 13, 2018 at 3:00 p.m. (Calgary time) or as soon thereafter as counsel for BlackPearl may be heard. At the application, the Court will be requested to consider, among other things, the fairness of the Arrangement.

Any BlackPearl Securityholder or other interested party (other than IPC) desiring to appear and make submissions at the application is required to file with the Court and serve upon BlackPearl, on or before 5:00 p.m. (Calgary time) on December 4, 2018 (or the Business Day that is five Business Days prior to the date of the application if it is not held on December 13, 2018), a notice of intention to appear including such interested party's address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such interested party intends to support or oppose the application or make submissions at the Application, together with a summary of the position such interested party intends to advance before the Court, and any evidence or materials which are to be presented to the Court. Service of such notice on BlackPearl shall be effected by service upon the solicitors for BlackPearl, c/o Bennett Jones LLP, 4500 Bankers Hall East, 855 2nd Street S.W., Calgary, Alberta T2P 4K7, facsimile: (403) 265-7219, Attention: Justin R. Lambert.

The IPC Shares to be received by BlackPearl Shareholders and holders of BlackPearl Incentive Awards pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or any U.S. Securities Laws, and will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof and in compliance with or pursuant to an exemption from the registration or qualification requirements of U.S. state or "blue sky" securities laws. The Court has been advised that the Final Order, if granted, will constitute the basis for an exemption from the registration requirements of the U.S. Securities Act, pursuant to Section 3(a)(10) thereof, with respect to the issuance of the IPC Shares issuable to BlackPearl Shareholders pursuant to the Arrangement.

BlackPearl has been advised by its counsel that the Court has broad discretion under the CBCA when making the Final Order with respect to the Arrangement and that the Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the Arrangement to the BlackPearl Shareholders and any other interested party as the Court determines appropriate. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court may determine appropriate. Either BlackPearl or IPC may, subject to the terms of the Arrangement Agreement, determine not to proceed with the Arrangement in the event that any amendment ordered by the Court is not satisfactory to such Party.

Regulatory Approvals

The Arrangement Agreement provides that receipt of all required Regulatory Approvals, including the Competition Act Approval, conditional approval of the TSX to the listing of the IPC Shares issuable pursuant to the Arrangement, that the conditions for listing the IPC Shares issuable pursuant to the Arrangement on Nasdaq have been satisfied and the registration of the IPC Swedish Prospectus by the Swedish Financial Supervisory Authority shall have been obtained, is a condition to the Arrangement becoming effective.

Competition Act Approval

The Arrangement is a "notifiable transaction" for the purposes of Part IX of the Competition Act. Subject to certain limited exceptions, a notifiable transaction cannot be completed until the parties to the transaction have each submitted certain prescribed information (a "**pre-merger notification**") to the Commissioner under Part IX of the Competition Act and the applicable waiting period has expired or terminated or has been waived.

Alternatively, or in addition to filing a pre-merger notification, a party to a notifiable transaction may apply to the Commissioner for an advance ruling certificate pursuant to Section 102 of the Competition Act (an "**ARC**"). Alternatively, the Commissioner may issue a "no action letter" (a "**no-action letter**") indicating that the Commissioner does not, as at such date, intend to make an application under Section 92 of the Competition Act in respect of the notifiable transaction. Upon the issuance of an ARC or a no-action letter (along with a waiver from the Commissioner of the obligation to file a pre-merger notification), the parties to the notifiable transaction are entitled to complete the transaction under the provisions of the Competition Act.

Completion of the Arrangement is subject to the condition that: (a) an ARC shall have been issued by the Commissioner with respect to the Arrangement; or (b) both of: (i) the applicable waiting period, including any extension thereof, under Section 123(1) of the Competition Act shall have expired or shall have been terminated under subsection 123(2) of the Competition Act or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act shall have been waived by the Commissioner in accordance with paragraph 113(c) of the Competition Act; and (ii) IPC shall have received a no-action letter from the Commissioner in respect of the Arrangement.

On November 5, 2018, the Competition Act Approval, in the form of an ARC issued by the Commissioner, was received by IPC and BlackPearl.

Stock Exchange Listings and Approvals

IPC is a reporting issuer in Alberta and Ontario. The IPC Shares are listed and posted for trading on the TSX and Nasdaq under the symbol "IPCO".

On October 9, 2018, the last trading day on which the IPC Shares traded prior to announcement of the Arrangement, the closing price of the IPC Shares on the TSX and Nasdaq was \$7.65 and SEK 53.40, respectively. On November 9, 2018, the closing price of the IPC Shares on the TSX and Nasdaq was \$5.62 and SEK 40.10, respectively.

BlackPearl is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The BlackPearl Shares are listed and posted for trading on the TSX under the symbol "PXX" and the BlackPearl SDRs are traded on Nasdaq under the symbol "PXXS".

On October 9, 2018, the last trading day on which the BlackPearl Shares traded prior to announcement of the Arrangement, the closing price of the BlackPearl Shares on the TSX was C\$1.30. On November 9, 2018, the closing price of the BlackPearl Shares on the TSX was C\$1.23.

It is anticipated that the BlackPearl Shares will be delisted from the TSX and the BlackPearl SDRs will be delisted from Nasdaq following completion of the Arrangement and IPC will apply to have BlackPearl cease to be a reporting issuer in the jurisdictions in which it is currently a reporting issuer. As a result of the Arrangement, IPC will become a reporting issuer in British Columbia, Saskatchewan and Manitoba.

It is a condition to the completion of the Arrangement that the TSX shall have conditionally approved the listing of the IPC Shares to be issued to BlackPearl Shareholders pursuant to the Arrangement. It

is a further condition to the completion of the Arrangement that the conditions for listing the IPC Shares issuable pursuant to the Arrangement on Nasdaq have been satisfied. The TSX has conditionally approved the listing of the IPC Shares to be issued to BlackPearl Shareholders pursuant to the Arrangement. Listing is subject to IPC fulfilling all of the listing requirements of the Exchanges.

Registration and Approval of the IPC Swedish Prospectus

The IPC Shares are admitted for trading on Nasdaq. IPC has prepared and filed with the Swedish Financial Supervisory Authority the IPC Swedish Prospectus in connection with the admission to trading on Nasdaq of up to 81,157,106 IPC Shares issuable in connection with the Arrangement. It is a condition to the completion of the Arrangement that the Swedish Financial Supervisory Authority shall have granted its approval of and registered the IPC Swedish Prospectus.

Procedure for Exchange of BlackPearl Share Certificates

A copy of the Letter of Transmittal is enclosed with the Circular. To receive the IPC Shares issuable pursuant to the Arrangement, the Letter of Transmittal must be duly completed, executed and returned with the certificate(s) representing BlackPearl Shares and any other documentation as provided in the Letter of Transmittal, to the office of the Depositary specified in the Letter of Transmittal. In the event that the Arrangement is not completed, such certificate(s) representing BlackPearl Shares will be promptly returned. Upon surrender to the Depositary of a duly completed and executed Letter of Transmittal, the certificate(s) representing BlackPearl Shares and any other documentation as provided in the Letter of Transmittal, the Depositary shall (subject to any withholdings, if applicable) deliver to such holder a direct registration advice ("**DRS Advice**") evidencing registered ownership of the IPC Shares to which the holder of such certificate(s) representing BlackPearl Shares is entitled pursuant to the Arrangement (together with any dividends or distributions with respect thereto pursuant to the Plan of Arrangement). Additional copies of the Letter of Transmittal are available by contacting the Depositary at +1-800-564-6253.

BlackPearl Shareholders whose BlackPearl Shares are registered in the name of an Intermediary must contact such Intermediary to deposit their BlackPearl Shares.

BlackPearl Shareholders are encouraged to deliver a duly completed and executed Letter of Transmittal together with the certificate(s) representing BlackPearl Shares to the Depositary as soon as possible.

None of BlackPearl, IPC or the Depositary are liable for failure to notify BlackPearl Shareholders, nor do they have any obligation to notify BlackPearl Shareholders, who make a deficient deposit with the Depositary.

BlackPearl and IPC reserve the right to permit the procedure for the exchange of BlackPearl Shares pursuant to the Arrangement to be completed other than that as set out above.

From and after the Effective Time, certificates formerly representing BlackPearl Shares shall represent only the right to receive IPC Shares to which the holders are entitled pursuant to the Arrangement.

The use of mail to transmit certificates representing BlackPearl Shares and the Letter of Transmittal is at each BlackPearl Shareholder's option and risk. BlackPearl recommends that such certificates and documents be delivered by hand to the Depositary and a receipt therefor be obtained or, if mailed, by registered mail with return receipt being used and that appropriate insurance be obtained.

If a share certificate has been lost or destroyed, the Letter of Transmittal should be completed as fully as possible and forwarded, together with a letter describing the loss, to the Depositary. The Depositary will forward such letter to BlackPearl so that BlackPearl may provide replacement instructions. The replacement certificate must be received by the Depositary prior to issuing the IPC Shares.

Any certificate which immediately prior to the Effective Time represented outstanding BlackPearl Shares that has not been validly deposited with all other documents as required pursuant to the Arrangement on or before the last Business Day prior to the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature against IPC or BlackPearl, including the right of such former BlackPearl Shareholder to receive IPC Shares. In such circumstances, the Person ultimately entitled to any IPC Shares hereunder shall be deemed to have surrendered or forfeited such entitlement to such IPC Shares for no consideration.

Any payment made by BlackPearl, the Depository or IPC pursuant to the Plan of Arrangement that has not been deposited or has been returned to BlackPearl, the Depository or IPC, as applicable, or that otherwise remains unclaimed, in each case, on or before the third anniversary of the Effective Date shall be returned by the Depository to IPC, and any right or claim to payment under the Arrangement that remains outstanding on or before the last Business Day prior to the third anniversary of the Effective Date shall cease to represent a right or claim by or interest of any kind or nature, and the right of a former holder of BlackPearl Shares to receive the consideration for such BlackPearl Shares pursuant to the Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to IPC for no consideration.

In the event that the Arrangement does not proceed, all certificates representing BlackPearl Shares deposited with a Letter of Transmittal will be returned to BlackPearl Shareholders at the name and address specified in Letter of Transmittal by first class mail or, if no name or address is specified, at such name and such address as is shown on the register maintained by BlackPearl.

Notwithstanding the provisions of this prospectus, the Circular, the Letter of Transmittal, the Arrangement Agreement or the Plan of Arrangement, DRS Advices representing IPC Shares and certificates representing BlackPearl Shares to be returned will not be mailed, if IPC determines that delivery thereof by mail may be delayed. Persons entitled to certificates, DRS Advices and other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depository at which the deposited certificates representing BlackPearl Shares in respect of which certificates or DRS Advices are being issued were originally deposited upon application to the Depository until such time as IPC has determined that delivery by mail will no longer be delayed. Notwithstanding the foregoing, certificates, DRS Advices and other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery at the office of the Depository at which the BlackPearl Shares were deposited and payment for those BlackPearl Shares shall be deemed to have been immediately made upon such deposit.

Dissent Rights

If you are a Registered BlackPearl Shareholder, you are entitled to dissent from the BlackPearl Arrangement Resolution in the manner provided by the Interim Order.

The following description of the rights of Registered BlackPearl Shareholders to dissent from the BlackPearl Arrangement Resolution is not a comprehensive statement of the procedures to be followed by a Dissenting BlackPearl Shareholder who seeks payment of the fair value of their BlackPearl Shares. A Registered BlackPearl Shareholder's failure to follow exactly the procedures set forth in the Plan of Arrangement and the Interim Order will result in the loss of such holder's Dissent Rights. This section summarizes the Dissent Rights available to Registered BlackPearl Shareholders. If you are a Registered BlackPearl Shareholder and wish to dissent, you should obtain your own legal advice and carefully read the provisions of the Plan of Arrangement, the Interim Order and Section 190 of the CBCA, which are attached as Schedule A to Appendix C, Appendix D and Appendix E to the Circular, respectively.

Beneficial owners of BlackPearl Shares registered in the name of an Intermediary and who wish to dissent should be aware that only Registered BlackPearl Shareholders are entitled to exercise Dissent Rights. A Registered BlackPearl Shareholder who holds BlackPearl Shares as Intermediary for more than one beneficial owner, some of whom wish to exercise Dissent Rights, must exercise such Dissent Rights on behalf of such holders who wish to dissent. In such case, the Dissent Notice should specify the number of Dissent Shares. A Dissenting BlackPearl Shareholder may only dissent with respect to all the BlackPearl Shares held on behalf of any one beneficial owner and registered in the name of such Dissenting BlackPearl Shareholder.

A Dissenting BlackPearl Shareholder shall, pursuant to Section 3.1(c) of the Plan of Arrangement, be deemed to have transferred the holder's BlackPearl Shares to BlackPearl (free and clear of any Encumbrances) for cancellation without any further act or formality. Such Dissenting BlackPearl Shareholders shall cease to have any rights as BlackPearl Shareholders, other than the right to be paid the fair value for such BlackPearl Shares in accordance with Section 5.1 of the Plan of Arrangement, and the names of such holders shall be removed from the register of BlackPearl Shareholders. The fair value of the BlackPearl Shares shall be determined as of the close of business on the last Business Day before the day on which the BlackPearl Arrangement Resolution is approved by the BlackPearl Securityholders at the BlackPearl Securityholders' Meeting.

A Dissenting BlackPearl Shareholder who, for any reason, is not ultimately entitled to be paid the fair value of such holder's BlackPearl Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting BlackPearl Shareholder, and shall be entitled to receive only the consideration contemplated in Section 3.1(d) of the Plan of Arrangement that such BlackPearl Shareholder would have received pursuant to the Arrangement if such BlackPearl Shareholder had not exercised Dissent Rights.

In order for a Registered BlackPearl Shareholder to exercise dissent rights, such Registered BlackPearl Shareholder's Dissent Notice must be received by BlackPearl c/o Bennett Jones LLP, 4500 Bankers Hall East, 855 2nd Street S.W., Calgary, Alberta T2P 4K7, facsimile: (403) 265-7219, Attention: Justin R. Lambert, by 4:00 p.m. (Calgary time) on December 5, 2018 or by 4:00 p.m. (Calgary time) on the date that is five Business Days prior to the date that any adjournment or postponement of the BlackPearl Securityholders' Meeting is reconvened or held, as the case may be. It is important that BlackPearl Shareholders strictly comply with this requirement, which is different from the statutory dissent provisions of the CBCA which would permit a Dissent Notice to be provided at or prior to the BlackPearl Securityholders' Meeting.

The delivery of a Dissent Notice does not deprive a Registered BlackPearl Shareholder of the right to vote at the BlackPearl Securityholders' Meeting; however, a Registered BlackPearl Shareholder who has submitted a Dissent Notice and who votes in favour of the BlackPearl Arrangement Resolution will not be a Dissenting BlackPearl Shareholder with respect to BlackPearl Shares voted in favour of the BlackPearl Arrangement Resolution. If a Dissenting BlackPearl Shareholder votes in favour of the BlackPearl Arrangement Resolution in respect of a portion of the BlackPearl Shares registered in its name and held by such Dissenting BlackPearl Shareholder on behalf of any one beneficial owner, such vote approving the BlackPearl Arrangement Resolution will be deemed to apply to the entirety of the BlackPearl Shares held by the Dissenting BlackPearl Shareholder in the name of such beneficial owner. A vote against the BlackPearl Arrangement Resolution at the BlackPearl Securityholders' Meeting will not constitute a Dissent Notice.

Within ten days after the approval of the BlackPearl Arrangement Resolution, BlackPearl is required to notify each Dissenting BlackPearl Shareholder that the BlackPearl Arrangement Resolution has been approved. BlackPearl is not, however, required to send such notice to a Registered BlackPearl Shareholder who voted for the BlackPearl Arrangement Resolution or who has withdrawn a previously delivered Dissent Notice.

A Dissenting BlackPearl Shareholder must, within twenty (20) days after the Dissenting BlackPearl Shareholder receives notice that the BlackPearl Arrangement Resolution has been approved or, if the Dissenting BlackPearl Shareholder does not receive such notice, within twenty (20) days after the Dissenting BlackPearl Shareholder learns that the BlackPearl Arrangement Resolution has been approved, send a demand for payment (a "**Demand Notice**") to BlackPearl containing: (a) the Dissenting BlackPearl Shareholder's name and address; (b) the number of Dissent Shares held by the Dissenting BlackPearl Shareholder; and (c) a demand for payment of the fair value of such Dissent Shares. Within thirty (30) days after sending a Demand Notice, the Dissenting BlackPearl Shareholder must send to the Chief Financial Officer of BlackPearl at 9th Floor, 215 – 9th Avenue S.W., Penn West Plaza – West Tower, Calgary, Alberta, T2P 1K3 or to Computershare Trust Company of Canada, at 530 – 8th Avenue S.W., 6th Floor, Calgary, Alberta, T2P 3S8, the certificates representing the Dissent Shares. A Dissenting BlackPearl Shareholder who fails to send the certificates representing the Dissent Shares forfeits its right to make a claim for payment of the fair value of its Dissent Shares. BlackPearl or Computershare Trust Company of Canada will endorse on share certificates received from a Dissenting BlackPearl Shareholder a notice that the holder thereof is a Dissenting BlackPearl Shareholder and will forthwith return the share certificates to the Dissenting BlackPearl Shareholder.

On the delivery of a Demand Notice (and in any event upon the Effective Date), a Dissenting BlackPearl Shareholder shall cease to have any rights as a holder of its Dissent Shares, other than the right to be paid the fair value of its Dissent Shares as determined pursuant to the Interim Order, except where, prior to the Effective Date: (a) the Dissenting BlackPearl Shareholder withdraws its Demand Notice before BlackPearl makes an Offer to Pay (as defined below) to the Dissenting BlackPearl Shareholder; or (b) an Offer to Pay is not made and the Dissenting BlackPearl Shareholder withdraws its Demand Notice. Pursuant to the Plan of Arrangement, in no event shall BlackPearl or IPC be required to recognize any Dissenting BlackPearl Shareholder as a BlackPearl Shareholder at or after the Effective Date and the names of such holders shall be removed from the register of BlackPearl Shareholders as at the Effective Time. For greater certainty, in addition to any other restrictions under Section 190 of the

CBCA, any Person who has voted or has instructed a proxyholder to vote their BlackPearl Shares in favour of the BlackPearl Arrangement Resolution shall not be entitled to exercise Dissent Rights.

No later than seven days after the later of the Effective Date and the date on which a Demand Notice of a Dissenting BlackPearl Shareholder is received, as applicable, BlackPearl must send to each Dissenting BlackPearl Shareholder who has sent a Demand Notice a written offer to pay (an "Offer to Pay") for its Dissent Shares in an amount considered by BlackPearl to be the fair value of the Dissent Shares, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay must be on the same terms as every other Offer to Pay.

Payment for the Dissent Shares of a Dissenting BlackPearl Shareholder must be made within ten days after an Offer to Pay has been accepted by a Dissenting BlackPearl Shareholder, but any such Offer to Pay lapses if an acceptance thereof is not received within thirty (30) days after the date on which the Offer to Pay has been made. If an Offer to Pay for the Dissent Shares of a Dissenting BlackPearl Shareholder is not made, or if a Dissenting BlackPearl Shareholder fails to accept an Offer to Pay that has been made, BlackPearl may, within fifty (50) days after the Effective Date or within such further period as the Court may allow, apply to the Court to fix a fair value for the Dissent Shares of Dissenting BlackPearl Shareholders.

If no such application is made by BlackPearl, a Dissenting BlackPearl Shareholder may apply to the Court for the same purpose within a further period of twenty (20) days or within such further period as the Court may allow. A Dissenting BlackPearl Shareholder is not required to give security for costs in such an application.

Upon an application to the Court, all Dissenting BlackPearl Shareholders whose Dissent Shares have not been purchased will be joined as parties and bound by the decision of the Court, and BlackPearl will notify each affected Dissenting BlackPearl Shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or represented by counsel. Upon any such application to the Court, the Court may determine whether any other Person is a Dissenting BlackPearl Shareholder who should be joined as a party, and the Court will then fix a fair value for the Dissent Shares of all such Dissenting BlackPearl Shareholders. The final order of the Court will be rendered against BlackPearl in favour of each Dissenting BlackPearl Shareholder joined as a party and for the amount of the Dissent Shares as fixed by the Court.

The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each such Dissenting BlackPearl Shareholder from the Effective Date until the date of payment.

Registered BlackPearl Shareholders who are considering exercising Dissent Rights should be aware that there can be no assurance that the fair value of their BlackPearl Shares as determined by BlackPearl or the Court, as the case may be, will be more than or equal to the consideration to be received by BlackPearl Shareholders pursuant to the Arrangement. In addition, any judicial determination of fair value may result in a delay of receipt by a Dissenting BlackPearl Shareholder of consideration for such Dissenting BlackPearl Shareholder's Dissent Shares.

The above is only a summary, is qualified in its entirety by reference to the complete text of Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, and does not purport to provide a comprehensive statement of the procedures to be followed by BlackPearl Dissenting Shareholders who seek payment of the fair value of their BlackPearl Shares. If you are a BlackPearl Shareholder and wish to exercise Dissent Rights, you should seek your own legal advice as failure to strictly comply with the provisions of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may prejudice your Dissent Rights. Registered BlackPearl Shareholders and non-Canadian BlackPearl Shareholders considering exercising Dissent Rights should also seek the advice of their own tax and investment advisors.

Holders of BlackPearl Incentive Awards are not entitled to dissent rights in respect of any BlackPearl Incentive Awards held.

BLACKPEARL RESOURCES IN BRIEF

General

BlackPearl was incorporated under the *Business Corporations Act* (Alberta) as "Kilo Gold Mines Ltd." on October 15, 1984. On April 22, 1998, Kilo Gold Mines Ltd. changed its name to "Newmex Minerals Inc.". On July 22, 2002, Newmex Minerals Inc. continued under the CBCA. On February 28, 2006, Newmex Minerals Inc. changed its name to "Pearl Exploration and Production Ltd.". On May 8, 2009, Pearl Exploration and Production Ltd. changed its name to "BlackPearl Resources Inc.". On January 1, 2010, BlackPearl Resources Inc. was amalgamated with Pearl E&P Canada Ltd., its wholly-owned Canadian subsidiary, and the amalgamated company was named "BlackPearl Resources Inc.".

BlackPearl is engaged in the exploration for, and the acquisition, development and production of, oil and natural gas. BlackPearl's properties are located in Canada and the United States. BlackPearl's primary focus is on heavy oil and oil sands projects in Western Canada.

BlackPearl's current core properties are:

- Onion Lake, Saskatchewan - a conventional heavy oil property as well as a multi-phase thermal project. The first thermal phase was constructed and put on production in 2015. Construction on the second thermal phase was completed during the first quarter of 2018 and put on production in the second quarter of 2018;
- Blackrod, Alberta - a bitumen property located in the Athabasca oil sands region of which the Company is currently operating a pilot project using the SAGD recovery process. The Company has received regulatory approval for its 80,000 barrel per day commercial SAGD development application and the project is expected to be developed in phases; and
- Mooney, Alberta - a conventional heavy oil property currently developed using both horizontal drilling and ASP flooding.

These core properties provide the Company with a combination of short-term cash flow generation and medium and longer-term reserves and production growth on multi-phase low decline projects using both EOR and SAGD thermal recovery processes.

BlackPearl's registered and head office is located at 900, 215 – 9th Avenue S.W., Penn West Plaza West Tower, Calgary, Alberta T2P 1K3. Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta and Toronto, Ontario, is the transfer agent and registrar of the BlackPearl Shares. BlackPearl's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, in Calgary, Alberta.

For information regarding BlackPearl's reserves data and other oil and gas information which has been prepared in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrator ("NI 51-101") and as evaluated by Sproule, reference is made to the sections of the BlackPearl AIF which is incorporated by reference herein.

Directors and Management of BlackPearl

The current Directors and Management of BlackPearl are John H. Craig (Chairman and Director), John Festival (President, C.E.O. and Director), Brian D. Edgar (Director), Keith C. Hill (Director), Victor Luhowy (Director), Joanne Hruska (Director), Don Cook (Chief Financial Officer), Ed Sobel (Vice President, Exploration) and Chris Hogue (Vice President, Operations). As is stated in Section "*Directors and Officers of IPC Following Completion of the Arrangement*" in this prospectus, John Festival will become a director of IPC, Ed Sobel and Chris Hogue will become officers of IPC following the Arrangement.

John Festival is currently the President, the C.E.O. and a Director of BlackPearl. John Festival graduated from the University of Saskatchewan in 1984 with a degree in Chemical Engineering. He started his career in the heavy oil fields of Lloydminster with Home Oil Company. He then moved to Koch Exploration Canada, focusing on oil sands and heavy oil where he progressed to Vice President of Canadian operations. In 1999 John and several of his co-workers from Koch recapitalized BlackRock Ventures Inc. where he served as President and a director. Over the next seven years they grew production to 14,000 barrels per day and the stock price rose from C\$0.60 to C\$24 per share

culminating with the sale of the company to Shell Canada Ltd. for C\$2.4 billion in 2006. With his partners from BlackRock they formed BlackCore Resources Inc., a private company focused on heavy oil exploration and production. In 2009, BlackCore did a reverse takeover of publicly listed Pearl Exploration and Production and rebranded the company as BlackPearl Resources Inc. John is currently President, CEO and a director of BlackPearl Resources Inc. He is also a director of publicly listed Toscana Energy Inc. and Gibson Energy Inc. and he is in addition thereto a director of two private oil industry related companies.

Ed Sobel is currently the Vice President, Exploration of BlackPearl. Ed Sobel graduated from the University of Calgary in 1990 with a B.Sc. in Geology. He has over 20 years of experience as a heavy oil geologist, most recently as manager of geology at BlackRock Ventures Inc.

Chris Hogue is currently the Vice President, Operations of BlackPearl. Chris Hogue graduated from the Southern Alberta Institute of Technology with a Diploma in Petroleum Engineering in 1992. He has over 20 years of diversified heavy oil experience, most recently as manager of operations at BlackRock Ventures Inc.

Securities of BlackPearl

As at November 9, 2018, there are 337,263,507 BlackPearl Shares and 25,151,663 BlackPearl Options issued and outstanding. Each BlackPearl Securityholder will be entitled to one vote for each BlackPearl Share or BlackPearl Option held by it in respect of the BlackPearl Arrangement Resolution at the BlackPearl Securityholders' Meeting, voting as a single class. In addition, pursuant to the Interim Order, each BlackPearl Share or BlackPearl Option that is outstanding at the BlackPearl Record Date will be entitled to one vote in respect of the BlackPearl Arrangement Resolution.

Principal shareholders

To the knowledge of the directors and executive officers of BlackPearl, as of the date hereof, no Person or company beneficially owns, or controls or directs, directly or indirectly, BlackPearl Shares carrying 10% or more of the voting rights attached to the BlackPearl Shares, except as set forth below:

Name of BlackPearl Shareholder(s)	Number of BlackPearl Shares ⁽¹⁾	Percentage of Outstanding BlackPearl Shares ⁽²⁾
Burgundy Asset Management	45,279,528	13.43%
Franklin Resources, Inc. ⁽³⁾	40,405,626	11.98%
Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l. ⁽⁴⁾	40,218,985	11.93%

(1) Except as otherwise indicated, the information has been obtained by BlackPearl from filings on SEDI as of the date of the Circular.

(2) The percentage has been calculated by BlackPearl based on the number of issued and outstanding BlackPearl Shares as of the date of the Circular.

(3) Based on the Alternative Monthly Report of Franklin Resources, Inc. dated December 9, 2016 filed under BlackPearl's SEDAR profile at www.sedar.com.

(4) Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l. are two private companies controlled by a trust settled by the late Adolf H. Lundin.

INTERNATIONAL PETROLEUM PRIOR TO THE ACQUISITION OF BLACKPEARL RESOURCES

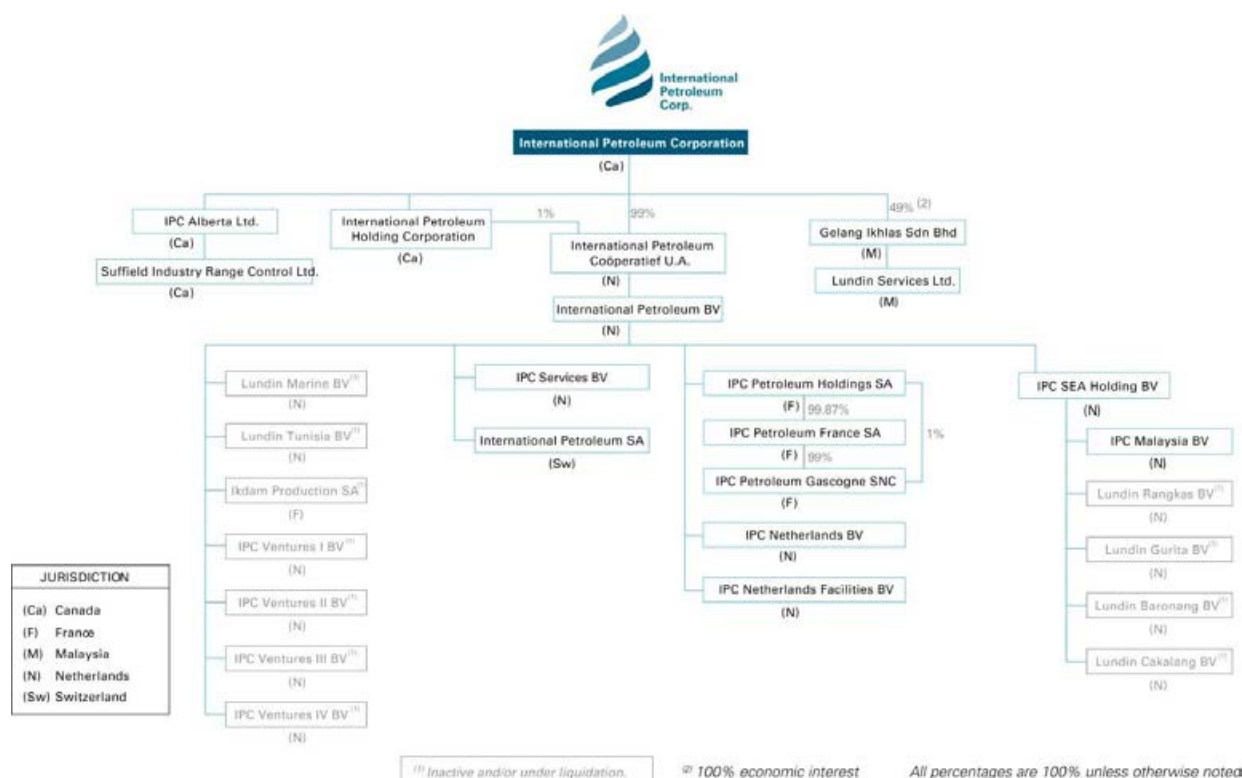
International Petroleum Corporation

The full corporate and commercial name of the Corporation is International Petroleum Corporation. The Corporation's head office is located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3E8 and the registered and records office is located at 2600, 595 Burrard Street Vancouver, British Columbia, Canada V7X 1L3.

IPC is a reporting issuer in Alberta and Ontario. The Common Shares trade on the TSX and on Nasdaq Stockholm under the symbol "IPCO".

International Petroleum Corporation was incorporated under the laws of the Province of British Columbia on January 13, 2017, under the name “1103721 BC. LTD.” and domiciled in British Columbia, Canada under the Business Corporations Act (British Columbia) with British Columbia Registry number BC1103721. On January 23, 2017 the name of the Corporation was changed from “1103721 B.C. LTD” to International Petroleum Corporation. IPC is domiciled in British Columbia, Canada.

Substantially all of the Corporation’s business is carried on through its various subsidiaries. The following chart illustrates, as at the date of this prospectus, the Corporation’s significant subsidiaries, including their respective jurisdiction of incorporation and the percentage of voting securities in each that are held by the Corporation either directly or indirectly:



Prior to the Reorganization, all of the Initial Oil and Gas Assets were indirectly owned, through the IPC Subsidiaries, by Lundin Petroleum and the Corporation’s sole shareholder was Lundin Petroleum.

Prior to the Spin-Off, Lundin Petroleum completed the Reorganization, which resulted in all of the Initial Oil and Gas Assets being acquired by the Corporation through the acquisition by the Corporation of the IPC Subsidiaries. Under the Contribution and Transfer Agreements, all of the shares of IPBV and all of the shares of Lundin Services Ltd. were transferred to the Corporation in exchange for the issuance by the Corporation to Lundin Petroleum of an aggregate of 113,462,147 Common Shares based on a price of CAD 4.77 per Common Share, for aggregate consideration of USD 410 million plus working capital as at the effective date. The Corporation then transferred IPBV to International Petroleum Coöperatief UA, a subsidiary of the Corporation. In connection with the Reorganization, IPBV transferred its interest in Lundin Norway AS, Lundin Petroleum Marketing SA, Lundin Petroleum SA and Lundin Russia BV to its wholly-owned subsidiary incorporated in the Netherlands, Lundin Petroleum Holding BV. IPBV then transferred all of the issued and outstanding shares of Lundin Petroleum Holding BV to Lundin Petroleum.

The Corporation, through its acquisition of all of the shares of IPBV, owns assets and entities previously owned by Lundin Petroleum related to discontinued operations located in Indonesia, Tunisia, Cambodia and the Republic of Congo (the “**Discontinued Operations**”). In respect of the Gurita Block PSC (see “The Oil and Gas Assets – Discontinued Operations – Indonesia”), Lundin Petroleum agreed in the Contribution and Transfer Agreements to indemnify the Corporation for any potential liabilities related to the Indonesian court case.

The Reorganization was completed on April 7, 2017, with an effective date of January 1, 2017. The Contribution and Transfer Agreements provide for a working capital adjustment as at January 1, 2017 which will be paid by the Corporation to Lundin Petroleum by financial adjustments during the period from January 1, 2017 to the date of the Spin-Off which was completed with a record date on April 24, 2017. Since January 1, 2017, USD 31.4 million of cash generated by the Group had been funded to Lundin Petroleum up until the Spin-Off. This amount was offset against the agreed net working capital amount of USD 56.9 million owing by the Group to Lundin Petroleum as at December 31, 2016 which was comprised of trade receivables, hydrocarbon inventories, well supplies and cash, net of trade payables and accruals. The net outstanding balance as at September 30, 2018 of USD 23.8 million is due to Lundin Petroleum in June 2019.

Following receipt of all necessary approvals and consents, including the approval of Lundin Petroleum's shareholders and the satisfaction or waiver of all other conditions to the Reorganization, all of the Common Shares was distributed by Lundin Petroleum *pro rata* on the basis of one Common Share for every three shares held in Lundin Petroleum to all of its shareholders pursuant to a Lex Asea dividend in kind in accordance with the rules and laws of Sweden, Lundin Petroleum's jurisdiction of incorporation. The Common Shares were distributed to Lundin Petroleum's shareholders on the record date April 24, 2017. Following the Spin-Off, all of the Common Shares were distributed to Lundin Petroleum's shareholders and Lundin Petroleum is no longer a shareholder of the Corporation.

Pursuant to the Reorganization and the Spin-Off, the Group acquired ownership of the Initial Oil and Gas Assets and is independent of Lundin Petroleum.

In May 2017, the Group decided to change the capital structure of the Corporation through a share purchase offer. The primary objective of the offer was to provide an orderly exit for Statoil ASA (a shareholder of Lundin Petroleum) as a large non-core shareholder of IPC and a potential risk to liquidity of the Common Shares. In June 2017, 25,540,302 Common Shares were purchased by IPBV under the share purchase offer for a consideration of approximately USD 90 million. These Common Shares were subsequently cancelled through an internal reorganization, resulting in shareholder negative dilution of approximately 22.5 percent. The total number of issued and outstanding Common Shares following such cancellation was 87,921,846. A USD 100 million reserve based lending facility was put in place in April 2017 and drawn upon by IPBV to facilitate completion of the share purchase offer.

In August 2017, IPC announced that the Corporation planned to drill two additional infill wells on the Bertam field in Malaysia during the fourth quarter of 2017. In addition, IPC planned to proceed with 3D seismic acquisition on the Villeperdue field in the Paris Basin, France. IPC also announced that following technical work undertaken by IPC's teams in France and Malaysia, the best estimate contingent resource base was 17.5 MMboe as at June 30, 2017.

In September 2017, IPC announced that a wholly-owned subsidiary of IPC has entered into an agreement with Cenovus Energy Inc. ("**Cenovus**") to acquire all of Cenovus' interests in the conventional oil and natural gas assets in the Suffield and Alderson areas of southern Alberta, Canada (the "**Suffield Assets**" or the "**Oil and Gas Assets in Canada**", while the acquisition of those assets is referred to as the "**Suffield Acquisition**"). The Suffield Assets are held over a large, contiguous land position of 800,000 net acres of shallow natural gas rights and 100,000 net acres of oil rights in south-east Alberta, Canada. Production and reserves from the assets come from conventional shallow oil and gas wells.

The Suffield Acquisition was completed on January 5, 2018. The consideration paid on closing, net of closing adjustments, was CAD 449 million. A further payment of CAD 12 million was paid in June 2018. In addition, certain capped, additional contingent payments may become payable based on oil and natural gas prices (see section "The Business"). The Suffield Acquisition was fully funded from internally generated cash flow and existing and new lending facilities. The Suffield Acquisition financing package, consisting of an increase in the reserve based lending facility from USD 100 million to USD 200 million and new credit facilities of CAD 310 million, was fully underwritten by BMO Capital Markets.

In December 2017, IPC announced that drilling of the first of two planned infill wells had commenced on the Bertam field, offshore Malaysia. The two infill wells were successfully completed and put on production in early 2018.

In February 2018, IPC announced that, following the submission of an application to the relevant Malaysian authorities, the FPSO Bertam received registration as a Malaysian flagged vessel under the applicable Malaysian marine regulations.

In February 2018, IPC also announced that the 2018 production guidance is 30,000 to 34,000 boepd, with operating costs for 2018 expected to be USD 12.6 per boe. IPC's 2018 capital expenditure budget is USD 32 million, primarily targeting production growth in Canada and Malaysia. The Group has allocated approximately USD 11 million to oil drilling in Suffield and approximately USD 14 million as carry-over costs related to the 2017-2018 infill drilling campaign in Malaysia, with the remainder on continued project, maintenance and optimization activities in France and the Netherlands.

In May 2018, the Corporation decided to approve additional capital expenditure of USD 6.5 million (net) to drill the Keruing (formerly I35) prospect in late 2018, subject to Petronas approval and rig contracting.

In June 2018, IPC announced that the IPC Shares commenced trading on Nasdaq Stockholm.

In August 2018, IPC announced a revised 2018 production guidance of 32,500 to 34,000 boepd following strong first half performance. IPC also increased the 2018 capital expenditure budget to USD 44 million, mainly related to increased gas optimization in Canada. IPC also announced that net debt reduced to USD 255 million as at June 30, 2018 and that the Second Lien Credit Facility was fully repaid.

On October 10, 2018, IPC and BlackPearl announced that IPC and BlackPearl entered into the Arrangement Agreement, pursuant to which IPC agreed to acquire all of the BlackPearl Shares. Under the terms of the Arrangement, the BlackPearl Shareholders will be entitled to receive 0.22 of an IPC Share for each BlackPearl Share held.

Upon completion of the Arrangement, current IPC Shareholders are expected to collectively own approximately 54%, and former BlackPearl Shareholders are expected to collectively own approximately 46%, of the then outstanding IPC Shares.

In November 2018, IPC announced that net debt reduced to USD 213 million as at September 30, 2018.

THE BUSINESS OF IPC PRIOR TO THE COMPLETION OF THE ARRANGEMENT

Business Overview

The main business of IPC is exploring for, developing and producing oil and gas. IPC holds a portfolio of oil and gas production assets and development projects in Canada, Malaysia, France and the Netherlands with exposure to growth opportunities. Since listing the Common Shares on April 24, 2017 in Canada and Sweden, IPC has been focused on delivering operational excellence, demonstrating financial resilience, maximizing the value of IPC's resource base and targeting growth through acquisition.

The vision and strategy of IPC's management from the outset was to use the IPC platform to build an international upstream company focused on creating long-term value for IPC's shareholders, launched at a favorable time in the industry cycle to acquire and grow a significant resource base.

As at the date of this prospectus, the Group operates its produced volumes in the Paris Basin, France, Canada and Malaysia and owns non-operated interests in the Aquitaine Basin, France and the Netherlands. As operator, the Group is able to control the pace and strategy of its development activities and to implement execution strategies that are compatible with its approach to prudently managing operational and financial risk. The Group is also able to optimize the timing and magnitude of capital expenditure programs and to leverage the value of management's expertise and proven track record.

For the full year 2017, IPC reported average daily production of 10,307 boepd. This production was driven by good performance across all of IPC's assets in Malaysia, France and the Netherlands. The uptime performance of the FPSO Bertam in excess of 99 percent continued during 2017, excluding the planned shutdowns for maintenance and infill drilling operations.

During 2017, IPC's assets generated operating cash flow of USD 138 million. This allowed IPC to fund operations and reduce the amounts drawn under the Credit Facility put in place to fund the purchase of 25.5 million Common Shares under the share purchase offer in the second quarter of 2017. By the end 2017, IPC was in a net cash position of USD 5.6 million, excluding the CAD 40 million (USD 32.6 million)

deposit for the Suffield acquisition in Canada. Including the Canadian acquisition deposit, net debt as at December 31, 2017 was USD 26.3 million.

IPC's 2P reserve base amounted to 29.4 MMboe as at December 31, 2016. A portfolio re-evaluation during the first half of 2017 allowed IPC to book 17.5 MMboe of best estimate contingent resources as at June 30, 2017. A capital investment program was approved in the second half of 2017 to drill two new infill wells in Malaysia on the Bertam field and acquire a 79 km² 3D seismic survey in the Villeperdue field in France.

As at end December 2017, IPC's 2P reserves were 129.1 MMboe, including 2P reserves attributable to the Suffield acquisition in Canada which completed on January 5, 2018. In addition, IPC reported best estimate contingent resources as at end December 2017 of 63.4 MMboe (unrisked), also after giving effect to the Suffield acquisition in Canada. Two additional infill locations on the Bertam field in Malaysia have been booked as well as the inclusion of the acquired resources in Canada.

IPC reported average daily production of 35,200 boepd for the third quarter of 2018, with the increase over 2017 levels due mainly to the inclusion of production from the Suffield Assets as well as good performance from all of the Oil and Gas Assets. As at September 30, 2018, IPC was in a net debt position of USD 213 million, decreased from USD 355 million immediately following the acquisition of the Suffield Assets in January 2018.

The Oil and Gas Assets in Malaysia are offshore assets characterized by a small number of highly productive wells. Production is light, high quality oil that attracts a premium to Brent crude pricing. The Malaysian assets began production in 2015. As at the date of this prospectus, there were 12 horizontal wells, fitted with electric submersible pumps and a natural aquifer drive for pressure support. The Corporation also indirectly holds a 100% economic interest in the FPSO Bertam operating in Malaysia.

The Oil and Gas Assets in France are comprised of two main operating basins, the Paris Basin, which is operated by the Group, and the Aquitaine Basin, which is operated by Vermilion. Both basins are characterized by a high number of wells with low production decline rates. Production from IPC's Oil and Gas Assets in France is light, high quality oil only. IPC's Oil and Gas Assets in France had been under the ownership of Lundin Petroleum since 2002, are well known to the Corporation's management and are operated by the current local team in place in the Paris Basin and by Vermilion in the Aquitaine Basin.

The Oil and Gas Assets in the Netherlands are non-operated, late-life natural gas fields, both onshore and offshore. These Oil and Gas Assets are non-core and not material to IPC, including with respect to reserves, production and revenues. IPC expects to dispose of these Oil and Gas Assets prior to the end of 2018.

The Oil and Gas Assets in Canada were acquired in January 2018. During the third quarter of 2017, IPC announced the transformational acquisition of the Suffield Oil and Gas Assets in Alberta, Canada. The Suffield Assets are high quality conventional assets that have been operated safely and efficiently for many years by Cenovus. This acquisition fits with IPC's strategy of leveraging our existing producing asset base as a platform for value accretive acquisitions of long-life, low-decline producing assets in stable jurisdictions with upside development potential.

The transaction was completed on January 5, 2018. The consideration paid on closing, net of closing adjustments, was CAD 449 million. A further payment of CAD 12 million was paid in June 2018. In addition, certain capped, additional contingent payments may become payable based on oil and gas prices. These contingent purchase price payments may become payable based on actual average monthly oil and natural gas prices during 2018 and 2019. Payments are due for each month when the average daily price of West Texas Intermediate (WTI) is above USD 55 per bbl or natural gas prices at the Henry Hub are above USD 3.50 per million British thermal units (MMBtu). These payments are capped for each commodity on a per month basis (CAD 375,000 per month for oil and CAD 1,125,000 per month for gas) with a maximum combined payment of CAD 36 million in aggregate. The Group paid Cenovus CAD 375,000 in respect of each of the months January to September 2018 related to oil prices, with no amounts owing related to January to September 2018 gas production.

HSE Performance

Safety performance in 2017 and the first quarter of 2018 has been good with no major incidents, injuries to personnel or spills/releases to the environment. Safety remains a priority for all operational and asset

teams and IPC is constantly looking at ways to improve performance and ensure that our operations have no impact on personnel, assets or the environment. During the first nine months of 2018, IPC recorded four low severity Lost Time Incidents (LTI) in France and six reportable spills in Canada, all of which were small volumes which were contained and recovered at the spill location.

MANAGEMENT AND OPERATIONAL PERSONNEL

Management

The affairs of the Corporation are principally managed by Mike Nicholson and Christophe Nerguararian, the CEO and CFO of the Corporation, respectively, each of whom has entered into an employment agreement with a wholly-owned subsidiary of the Corporation.

In addition, Jeffrey Fountain serves as General Counsel, responsible for all legal matters in the Corporation. Daniel Fitzgerald, VP Operations, and Ryan Adair, VP Reservoir Development, are principally responsible for the management of all technical, operational and subsurface aspects and personnel relating to the ongoing development and operations of the Oil and Gas Assets. Rebecca Gordon, VP Corporate Planning and Investor Relations, is responsible for economics and investor relations.

Country Personnel

As of December 31, 2017, IPC had a total of 126 employees located in Malaysia, France, Switzerland and The Netherlands providing the Group with the managerial, operational, technical, financial and locally specific knowledge and experience to ensure effective and efficient management of the Initial Oil and Gas Assets.

The Group maintains an operations office in Switzerland, where certain technical, legal, financial and other administrative functions are performed, and has local offices in Malaysia, France, The Netherlands and Canada. IPC established its Calgary, Canada office in December 2017 in view of the closing of acquiring the Suffield Assets which occurred on January 5, 2018. The total number of employees as at September 30, 2018 was 233.

The Corporation has entered into the following services agreements with Lundin Petroleum in connection with the Reorganization:

- *General Services Agreement:* The Corporation leases office space from Lundin Petroleum in Vésenaz, Switzerland.
- *IPC Technical Services Agreement:* The Corporation may, but will be under no obligation to, request the services of certain employees of Lundin Petroleum to assist in the business of the Corporation. Any services provided under this agreement will be on subsequently agreed rates, based on market rates for similar services.
- *Lundin Petroleum Technical Services Agreement:* Lundin Petroleum may, but will be under no obligation to, request the services of certain employees of the Corporation to assist in the business of Lundin Petroleum. Any services provided under this agreement will be on subsequently agreed rates, based on market rates for similar services.

The Corporation has also entered into an agreement with a management services company, whereby such company will provide office facilities, administration, investor relations and corporate development services in Vancouver, British Columbia.

In the operations office in Switzerland, the Corporation employs 20 individuals.

In France, the Corporation employs 44 individuals located at production facilities in Montmirail. In addition, the Corporation will retain contractors as required. The Oil and Gas Assets in France and their administration are managed by the general manager responsible for the Oil and Gas Assets in France, who is assisted by a management team that is responsible for various functions including operations, exploration, health and safety, environmental, human resources, accounting and finance and legal functions. A majority of the French senior management team has been in place operating the Oil and Gas Assets in France since Lundin Petroleum acquired them in 2002.

In the Netherlands, the Corporation employs four individuals located in corporate offices in The Hague. The Oil and Gas Assets in the Netherlands and their administration are managed by the general manager responsible for the Oil and Gas Assets in the Netherlands. The remaining employees are responsible for administration and maintaining accounting functions for the Oil and Gas Assets in the Netherlands.

In Malaysia, the Corporation indirectly employs 56 individuals located at the Malaysian Head Office in Kuala Lumpur. In addition, the Corporation will retain contractors as required. The Oil and Gas Assets in Malaysia and their administration are managed by the general manager responsible for the Malaysian business, who is assisted by a management team that is responsible for various functions including, operations, health and safety, environmental, human resources, accounting and finance and legal functions.

In Canada, the Corporation indirectly employs 109 individuals located at the office in Calgary and working in respect of the Oil and Gas Assets in Canada.

Employees

The IPC Subsidiaries directly and indirectly employed the following number of people at the dates set out below.

	December 31, 2017	December 31, 2016	December 31, 2015
Malaysia	59	77	119
France	47	48	44
The Netherlands	5	6	7
Switzerland	15	– 1	– 1
Canada	– 2	– 2	– 2
Number of employees	126	131	170

¹ Before the spin-off date, all corporate functions were grouped within Lundin Petroleum. Approximately 13 individuals were employed by Lundin Petroleum and worked in Switzerland in respect to IPC operations.

² The Suffield Acquisition was completed in January 2018 – there were no employees in Canada during the relevant financial years.

THE OIL AND GAS ASSETS

The following is a description of the properties comprising the Oil and Gas Assets in Canada, Malaysia, France and the Netherlands. The following property descriptions are as at the date of this prospectus unless otherwise indicated.

Canada

Summary

In September 2017, IPC announced the transformational acquisition of the Suffield Assets in Alberta, Canada.

The Suffield Assets are held over a large, contiguous land position of 800,000 net acres of shallow natural gas rights and 100,000 net acres of oil rights in southeast Alberta. These producing fields have future development potential from a combination of low risk development drilling, well stimulation and enhanced oil recovery (EOR) opportunities, which had not been undertaken for a number of years due to Cenovus' capital allocation priorities.

The Suffield Assets had been operated by Cenovus and its predecessors for more than 40 years. The oil is produced using conventional recovery methods via water drive with pumped multi-lateral horizontal wells. The production is collected in a network of pipelines and transported to a central processing facility, the 1-27 Battery.

Management of IPC believes that the oil upside relates to low risk development drilling. There is also low risk upside in Alkaline-Surfactant-Polymer (ASP) flood expansion. This process has been demonstrated to work in two fields, and IPC is evaluating its application into a third field which is near the existing infrastructure.

Sweet natural gas production in the Suffield area is via shallow wells producing from multiple formations. The wells produce into a network of natural gas pipelines with a number of compressor stations. IPC believes that the production is low maintenance with optimization potential.

IPC transitioned certain Cenovus employees who have the experience in managing and operating these assets across to IPC, including experience with and knowledge of the established maintenance routines and rigorous HSE procedures.

IPC reported net production in Canada of 25,000 boepd for the third quarter of 2018. In addition, IPC commenced the first oil drilling campaign in the Suffield Assets since 2014, with six wells expected to be completed by the end of 2018. Good progress has been made in maturing the technical work and conducting the relevant environmental survey work to facilitate a continued oil drilling and water injection program through 2019. On the gas side, IPC's immediate focus is on gas optimization efforts to offset natural declines as opposed to new gas drilling.

Overview

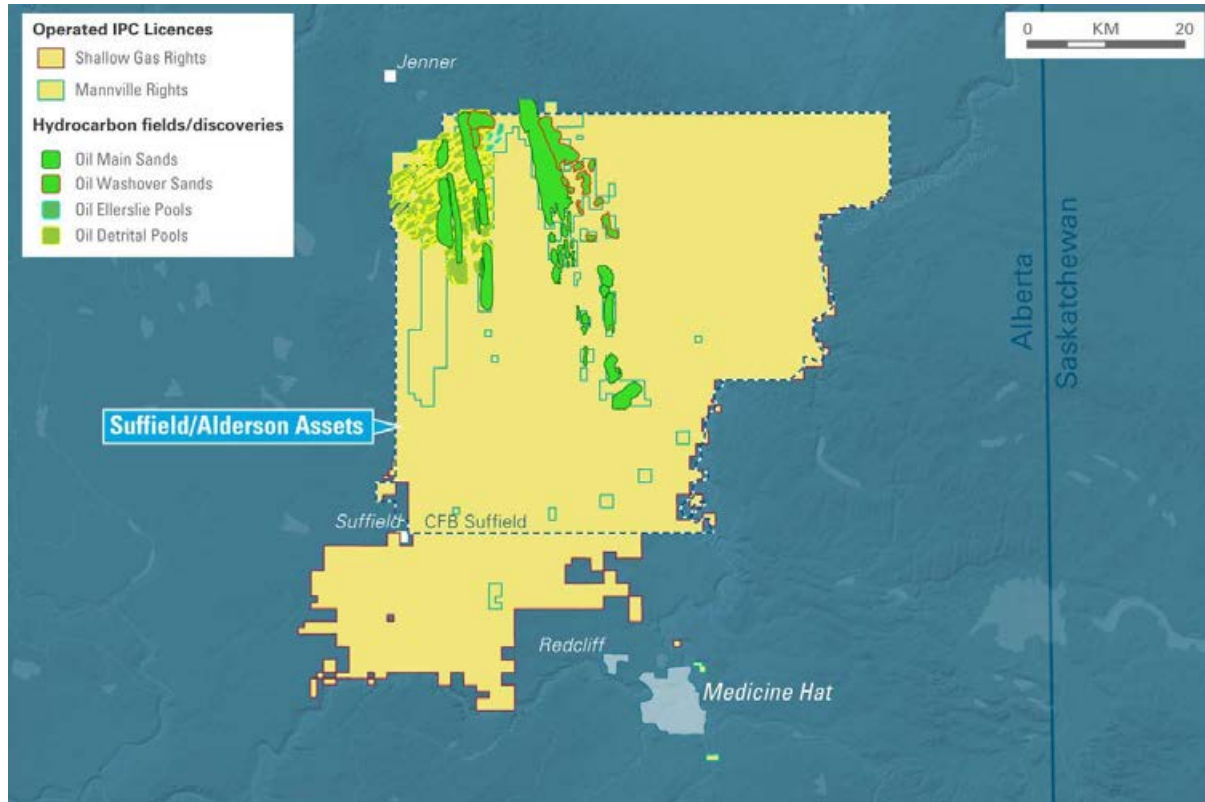
The onshore Suffield Assets are situated in southeast Alberta, Canada, and are operated by IPC. The oil assets are 100% working interest and gas assets are 99.7% working interest on a well-count basis. These assets are characterized as having a high number of wells with low production decline rates. The oil quality is 13°API and is produced via conventional, non-thermal methods. The assets are well-known to the operational team in Redcliff, Alberta and to the asset management team in Calgary, Alberta, many of whom have been working the assets for many years as Cenovus employees.



Asset Description

Oil is produced primarily from open-hole horizontal wells pumped with progressive cavity pumps, gathered and processed at the 1-27 Battery and piped to market. The reservoirs are high quality Cretaceous sandstones with reservoir pressure supported by a combination of bottom water drive and water injection. There are two pools that are benefitting from ASP injection which entails a small amount of chemical being added to the injection water to mobilize more oil than would be recoverable by water drive alone.

The shallow conventional natural gas production is from a combination of five shallow horizons produced via vertical production wells. The low pressure wells are naturally flowing assisted with siphon strings in some cases. The majority of the produced natural gas is sold at Empress reference with the balance being sold at AECO reference. In the third quarter of 2018, a project to reroute certain produced gas volumes was successfully executed to allow almost 100 percent of IPC's gas production in Canada to be sold at Empress pricing rather than AECO pricing.



Geologic Overview

The main oil producing horizon is the Cretaceous age Glauconitic (Manville group) sand. The sand was deposited in a shoreline / Aeolian environment and is generally of very high reservoir quality. Reservoir depth is approximately 1,000 metres and oil is produced via water drive. The oil is viscous however with the good reservoir quality it can be produced via conventional, non-thermal methods.

The secondary oil reservoirs are Upper Mannville washovers, Lower Manville Ellerslie, and Lower Manville Detrital. Two of the wash-over pools are subject to ASP enhanced oil recovery.

The natural gas production is from a regional multi zone conventional play. The sands are part of the Belly River / Colorado group and are generally hydraulically fractured and commingled. Almost all of the natural gas production is from formations at less than 500 metres depth.

Production Operations

The vast majority of the oil production wells are activated by progressive cavity pumps and are tied into intra field collection lines. The oil density at surface conditions is 13°API. There is ample oil processing capacity to accommodate existing and future planned production.

Abandonment Obligations

Abandonment in Canada consists of permanent plugging of the wells, decommissioning of facilities and pipelines, and site restoration. A complete review of the wells, pipelines and facilities status is completed annually. Provisions for the abandonment activities are revised every year based on the latest information and these provisions are included in the capital expenditures budget. The Group follows the applicable Alberta regulations and reports regularly to the Alberta regulator their abandonment activities and cost estimates. On this basis, non-economic wells and/or non-producing wells are regularly abandoned as a part of ongoing business.

Infrastructure and Marketing

Oil is gathered at the 1-27 Battery, blended with condensate, and pipelined to market. The shallow natural gas is gathered into intra-field flow lines operated via 16 compressor stations. There are two egress points with the bulk of the natural gas going to Empress.

Malaysia

Summary

Net production from the Bertam field on Block PM307 (IPC working interest (WI) 75%) during 2017 was at 6.7 Mboepd. Reservoir performance for the Bertam field was in line with expectation and facilities uptime during 2017 was in excess of 99 percent (excluding planned shutdowns).

The FPSO Bertam is required to be Malaysian flagged in order to be able to offload crude in Malaysian waters. In February 2018, following a corporate restructuring transaction, the FPSO Bertam was registered as a Malaysian flagged vessel under the applicable Malaysian marine regulations.

In December 2017, drilling commenced on the first of two sanctioned infill wells on the Bertam field, with production commencing in January 2018. The second well commenced drilling in January 2018 and was completed and put on production in February 2018.

Reprocessing of Bertam 3D seismic that was acquired in 1996 with the latest technology was completed during the fourth quarter of 2017, allowing for a full review of additional infill targets. This allowed the booking of 1.4 MMboe of additional best estimate contingent resources as at December 31, 2017.

During the fourth quarter of 2017, the Group gave notice of its intention to withdraw from the PM328 exploration block. Final approval of the withdrawal was pending at the end of 2017 and was granted in February 2018. No commitments are outstanding on any blocks in Malaysia.

IPC reported net production in Malaysia of 7,000 boepd for the third quarter of 2018. In addition, following positive results from the 2016 and 2018 infill drilling programs and continued good reservoir performance, IPC continues to mature a third phase of infill drilling on the Bertam field for execution in 2019. Up to three drilling locations have been identified and work continues to mature additional locations. In addition, IPC is finalizing plans to drill the Keruing prospect in late 2018, subject to Petronas approval and rig contracting. It is possible that this may be deferred into the first quarter of 2019 as IPC evaluates options to combine Keruing drilling with a pilot well in the A-14 location to de-risk third phase infill drilling program expected later in 2019.

Overview

All of the Group's production and reserves in Malaysia come from the Bertam oil field located offshore Peninsular Malaysia. The Bertam field has been on production since April 2015. The Group is the operator of Block PM307 with a 75% working interest, with Petronas holding the remaining 25% through its wholly owned subsidiary Petronas Carigali Sdn Bhd ("**PCSB**").

The administrative, accounting and technical affairs of the Group's activities in Malaysia are managed from its office in Kuala Lumpur.

The map below shows the location of the Oil and Gas Assets in Malaysia.



Concession	Area (km ²)	Offshore/ Onshore	Licence Type	Interest	Operator	Expiry	Partners
PM307	297 (Bertam)	Offshore	Production	75.00%	Lundin	Aug-25	PCSB 25%
PM307 Tembakau and Mengkuang	108	Offshore	Gas Holding Area	75.00%	Lundin	May-21	PCSB 25%
SB303	30	Offshore	Gas Holding Area	55.00%	Lundin	Apr-20	PCSB 25%, Dyas 20%

Peninsular Malaysia - Bertam

History

The Bertam field is located offshore Peninsular Malaysia on Block PM307 and was initially discovered in 1995 by the Bertam-1 well drilled by Petronas. PM307 was acquired by IPC's wholly-owned subsidiary IPC Malaysia BV in 2011 and was successfully appraised in 2012 and a field development plan was submitted and approved by Petronas in late 2013. An efficient execution of the development plan allowed the field to commence production in April 2015. The Bertam development consists of an unmanned wellhead platform and, as at December 31, 2017, 12 development wells producing to the FPSO Bertam.

Asset Description

The Bertam field is located 175 kilometres offshore to the east of Peninsular Malaysia, close to the Indonesian border at a water depth of about 74 metres. The field is a low relief, approximately 15 square kilometre, four-way closure. Maximum oil column is in the order of 20 to 25 metres. Reservoir depth is approximately 1600 metres below sea level and the reservoir was slightly underpressured at the first oil date in April 2015.

Geological Overview

The main reservoirs are Late Oligocene deltaic sandstones of the South Malay Basin K sequence. The main reservoir, K10.1, is a continuous sand with subtle variations in properties across the field. Gross thickness is in the 7 to 10 metres range, porosity is 20-25% and permeability is 80-300 milliDarcies.

Production Operations

The reservoir recovery mechanism is moderate to strong aquifer drive. As at December 31, 2017, reservoir access was through 12 horizontal producer wells placed close to the top of the K10.1 structure to minimize water coning. Since the reservoir is undersaturated with no gas cap, the wells require artificial lift using electric submersible pumps (ESP). Average quality of oil produced from the Bertam field is good with an API gravity of 37°. The wells are tied back to the FPSO Bertam where separation and storage takes place.

Bertam – FPSO Unit

In 2013, Lundin Petroleum received development plan approval for the Bertam oil field on Block PM307 which integrated an unmanned wellhead platform tied to a FPSO vessel. Lundin Petroleum completed an extensive upgrade and life extension program on the FPSO Ikdam (renamed the FPSO Bertam), and it is now operating on the Bertam field in Block PM307.

Since the FPSO Bertam started receiving oil from the Bertam field in April 2015, it has achieved an excellent operational uptime of greater than 99 percent.

The FPSO Bertam is currently leased to the PM307 joint venture under a bareboat charter arrangement with a six-year fixed term at the daily lease rate to April 2021. There are a further four, one-year year options available after the fixed period. The daily operations and maintenance of the facility are undertaken by E&P O&M Services Sendirian Berhad, an operations and maintenance service provider in Malaysia, under contract and supervision of IPC Malaysia BV. E&P O&M Services Sendirian Berhad is a wholly-owned subsidiary of PCSB that offers operations and maintenance services in Malaysia. The operations and maintenance contractor and IPC Malaysia BV are responsible for the maintenance and upkeep of the FPSO Bertam.

FPSO Flagging in Malaysia

The FPSO Bertam is required to be Malaysian flagged in order to offload oil production from the Bertam field in Malaysian waters. Following the submission of an application to the relevant Malaysian authorities in 2018, the FPSO Bertam has now received registration as a Malaysian flagged vessel under the applicable Malaysian marine regulations.

Abandonment Obligations

The Bertam field obligations for abandonment are in line with the requirements set out by the Petronas Procedures and Guidelines for Upstream Activities (the “PPGUA”). In accordance with the PPGUA, the FPSO Bertam must be returned to Lundin Services Limited, it must be cleaned and be gas free and the wellhead platform must be removed to below the mud line. Wells will be abandoned in line with the PPGUA. A cash provision for the abandonment of facilities is made annually into the abandonment fund at a rate relative to the annual production volumes, as per the PSC requirements. The Group also makes provisions for the abandonment of wells annually, but costs are not paid until they are actually incurred.

Oil Export Infrastructure

The Bertam field utilizes the FPSO Bertam for production and oil storage. Export is undertaken directly from the FPSO to oil tankers via an offloading hose and offtake system.

Marketing

Oil produced from the Bertam field is sold on a spot tender to the highest bidder. The tender process is managed by Petronas, on behalf of the Group. The crude is delivered directly from the FPSO Bertam into the buyer’s vessel. The price of the crude achieves a premium over the Brent crude price, which varies depending on the supply and demand balances in Asia.

Petronas, PCSB, IPC Malaysia BV and Petco Trading Labuan Company Limited (“**Petco**”) are parties to a marketing agency agreement dated June 17, 2015. The marketing agency agreement is effective until December 31, 2019. Under the marketing agency agreement, Petronas, PCSB and IPC Malaysia BV appoint Petco as an exclusive marketing agent to sell Petronas’, PCSB’s and IPC Malaysia BV’s respective entitlements of crude under the PM307 PSC. Petco is paid an agency fee based on barrels of crude oil sold.

Development Plans

During the July 2017 planned shutdown, a range of instrumentation and equipment with a higher pressure rating were put in place to allow for an increase on the Bertam wells which had been constrained due to pressure limitations.

A two well infill campaign was sanctioned in 2017 and began during the fourth quarter of 2017. The campaign was completed and the infill wells were brought on production in January and February 2018. Additional development and exploration potential has been identified in the Bertam field. IPC continues to mature a third phase of infill drilling on the Bertam field for execution in 2019. Up to three drilling locations have been identified and work continues to mature additional locations. The Corporation has taken the decision to approve additional capital expenditure of USD 6.5 million (net) to drill the Keruing (formerly I35) prospect in late 2018, subject to Petronas approval and rig contracting. The Keruing prospect is only two kilometres from the Bertam field facilities and would be a high value tie back candidate in the success case. See “Reserves and Other Oil and Gas Information relating to the Oil and Gas Assets”.

Peninsular Malaysia – PM307 Gas Holding Area (Tembakau, Mengkuang)

The first exploration well by Lundin Petroleum was Tembakau-1, which was drilled in 2012 and was a natural gas discovery in two Miocene sandstone intervals. The discovery was successfully appraised with Tembakau-2 in 2014. Subsequently, Mengkuang-1 was drilled in October 2015 to test an oil prospect in the I-35 channel system and was a small natural gas discovery.

A Gas Holding Area (GHA) application was approved in April 2017, and is effective from May 2016 until May 2021. The development of this asset is estimated to be sub-economic under current economic conditions and therefore development is presently considered not viable.

Sabah – SB 303 Gas Holding Area (Tarap, Cempulut, Berangan, Titik Terang)

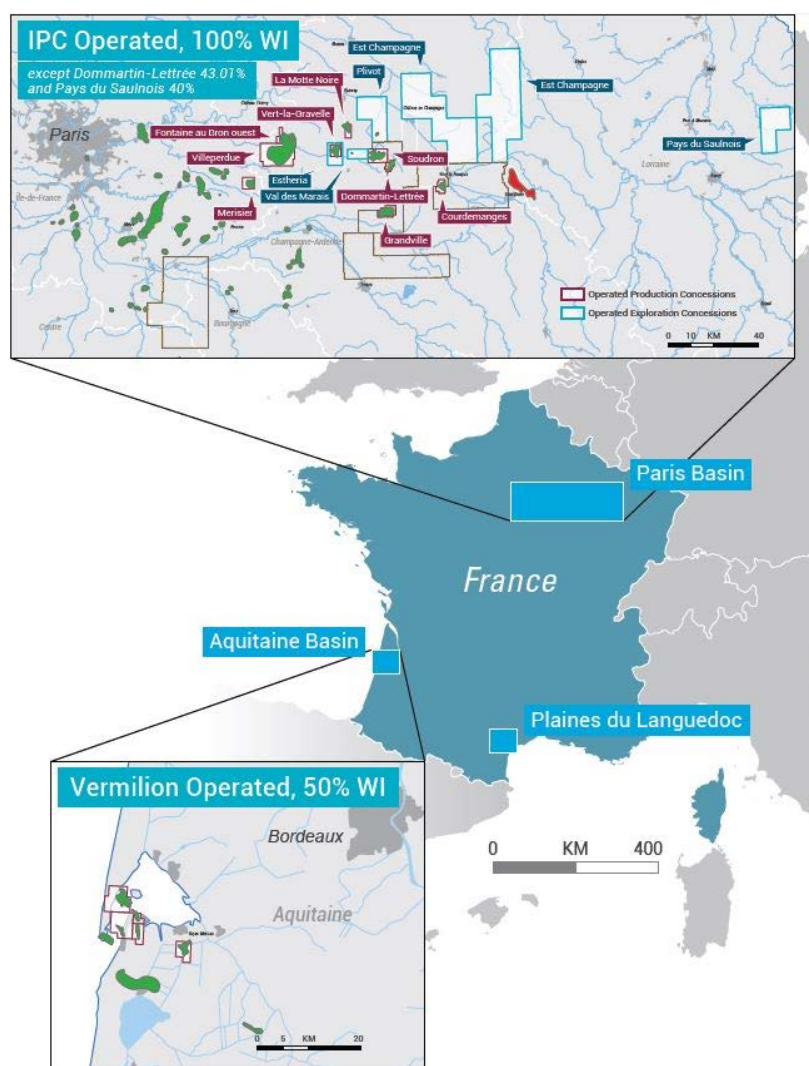
Block SB303 is located at the northern tip of Borneo and has been explored by several rounds of operations since the late 1960s. In SB303, prior to the Group’s operations, nine exploration wells were drilled, resulting in one small natural gas discovery (Titik Terang). The reservoirs are well-developed sandstone of mainly Miocene age.

IPC Malaysia BV made three marginal natural gas discoveries on Block SB303 with the Tarap, Cempulut and Berangan natural gas discoveries. IPC Malaysia BV applied for a GHA covering these three discoveries and the vintage Titik Terang discovery in March 2015, which was granted in April 2015 until April 2020. The development of this asset is estimated to be sub-economic under current economic conditions and therefore development is presently considered not viable.

France

In France, the Oil and Gas Assets are situated in the Paris Basin and the Aquitaine Basin. The majority of the production and reserves of the Oil and Gas Assets comes from the operated fields in the Paris Basin. In the Aquitaine Basin, production comes from Vermilion Energy Inc.’s (“**Vermilion**”) operated fields, where there is a 50% working interest.

The map below shows the location of the Oil and Gas Assets in France.



Summary

Net production in France during 2017 was 2.4 Mboepd. IPC recognizes significant development upside in the Paris Basin. In parallel with maturing the contingent resources, IPC has been actively working on optimizing the Vert La Gravelle project which is already reflected in the 2P reserves base.

The Vert La Gravelle field has been on production since the mid-1980s and has long been recognized as a field with water-flood and development drilling upside. A field re-development project was sanctioned in 2014 however as a result of Lundin Petroleum's capital re-allocation priorities, the project was postponed after the construction and commissioning of the facilities and the drilling of the first two wells. IPC is taking the opportunity to revisit the development concept sanctioned in 2014 in particular IPC is investigating the merits of applying horizontal well technology as a means to optimize value.

In respect of the Villeperdue West project, the concept is to extend the development drilling to the west into an area that was considered to be water bearing when the initial field development was executed in the 1980s. Production trends on the west extension combined with our mapping and geologic assessment point towards significant bypassed oil potential which can be developed and tied into existing infrastructure. There remains structure and reservoir risk which is being addressed through the acquisition of 79 km² of high resolution 3D seismic approved in the second quarter of 2017. The 3D seismic acquisition was completed safely and within budget in October 2017.

Seismic processing, interpretation and subsequent reservoir development studies will continue through 2018. The seismic survey will also improve the structural definition of the Villeperdue Deep prospect.

The contingent resource estimates reported for France relate to development drilling and water-flood optimization opportunities. In all cases, the product type is light crude oil. The risk and uncertainty

associated with the contingent resources in France is largely due to limited seismic coverage and understanding of structural extent of the fields. To recover the contingent resources, the drilling of development wells and, in some instances, the modification of existing production facilities would be required. Project development timing for the highest ranked opportunities will potentially be in the next two to five years with the remaining within the next ten years. In all cases, the contingent resources require a definitive development plan and approval of the plan to mature from contingent resources to reserves.

IPC reported net production in France of 2,500 boepd for the third quarter of 2018. In addition, IPC is focused on maturing the Vert La Gravelle redevelopment and the Villeperdue West development using horizontal drilling techniques. Work also continues to mature the Villeperdue Deep prospect located within the new 3D seismic area acquired in late 2017.

France – The Paris Basin

History

Production in the Paris Basin fields started in 1959. The main Villeperdue field started production in 1983. The assets were operated by Total Exploration and Société Nationale Elf-Aquitaine (Production) before being transferred to Coparex International S.A. (now known as IPC Petroleum France S.A.) in 1993 and 1995. Lundin Petroleum acquired the Paris Basin assets in 2002 when it bought Coparex International S.A. from BNP Paribas. In 2007, Lundin Petroleum acquired a further 20% interest in four assets from Carr Production France. In 2017, Lundin Petroleum's oil and gas assets in France were acquired by the Corporation in connection with the Spin-Off.

Assets Description

The Group is the operator of nine oil field licences and five exploration permits located approximately 100 kilometres east of Paris in the central part of the Paris Basin. The Group is the operator of all of the Paris Basin fields and holds a 100% working interest in eight of the nine producing fields (43.01% working interest in Dommartin Lettrée field with Vermilion as partner).

Paris Basin Concessions	Area (km²)	Offshore/ Onshore	Licence Type	Interest (%)	Operator	Partners	Expiry	Future Work Commitments (MM€)
Production								
Courdemanges	19.9	Onshore	Production	100.00	IPC	N/A	Mar-38	N/A
Dommartin-Lettree	13.2	Onshore	Production	43.01	IPC	Vermilion 56.99%	Feb-24	N/A
Fontaine au Bron (South and West parts including the Hautefeuille field)	25.1	Onshore	Production	100.00	IPC	Geopétrol is operator of the remaining area of the concession	Oct-17	N/A
Grandville	33.9	Onshore	Production	100.00	IPC	N/A	Aug-38	N/A
La Motte Noire	15.8	Onshore	Production	100.00	IPC	N/A	Mar-30	N/A
Merisier	26.5	Onshore	Production	100.00	IPC	N/A	Nov-29	N/A
Soudron – Soudron field	51.6	Onshore	Production	100.00	IPC	N/A	Mar-35	N/A
Soudron – Villeseneux field								
Vert-La-Gravelle	23.0	Onshore	Production	100.00	IPC	N/A	Sep-28	N/A
Villeperdue	141.3	Onshore	Production	100.00	IPC	N/A	Jan-37	N/A

Paris Basin Concessions	Area (km ²)	Offshore/ Onshore	Licence Type	Interest (%)	Operator	Partners	Expiry	Future Work Commitments (MM€)
Exploration								
Amaltheus	37.0	Onshore	Exploration	100.00	IPC	N/A	N/A ⁽²⁾	0.0
Plivot	198.0	Onshore	Exploration	100.00	IPC	N/A	Oct-20	0.9
Pays du Saulnois	198.0	Onshore	Exploration ⁽¹⁾	40.00	IPC	Neptune Energy (40%) Diamoco Energy (20%)	Nov-18	1.3
Est Champagne	1318	Onshore	Exploration ⁽¹⁾	100.00	IPC	N/A	Oct-19	0.0
Plaines du Languedoc	1095	Onshore	Exploration ⁽¹⁾	100.00	IPC	N/A	Oct-19	0.8
Esth�ria	43	Onshore	Exploration	100.00	IPC	N/A	Sep-20	1.2
Exploration – Applications								
Cheroy	871	Onshore	Exploration	50.00	IPC	TBA if licence awarded	N/A	2.5
Camp de Mailly	433	Onshore	Exploration	100.00	IPC	N/A	N/A	3.1
Perthois	573	Onshore	Exploration	100.00	IPC	N/A	N/A	1.0
Templiers	600	Onshore	Exploration	100.00	IPC	N/A	N/A	2.0

Notes:

(1) Assumes that pending licence extension application is approved.

Geological Overview

There are two main productive horizons, namely, the Middle Jurassic (Dogger) limestones and Late Triassic (Rhaetic) sandstones. The Middle Jurassic Dogger reservoirs that are present in the Villeperdue, Merisier, and Soudron areas consist of oolitic and bioclastic limestones and are generally present within the central part of the Paris Basin. The Rhaetic sandstones extend into the northeastern part of the Paris Basin and provide the reservoirs for a number of oil fields, including Vert La Gravelle, Grandville, Dommartin-Lettr e, Soudron (which produces from both horizons) and Courdemanges.

Production Operations

The vast majority of production wells in the Paris Basin are activated by beam pumps. The injection wells are functioning with surface pumps. Oil is of good quality with 35 API gravity.

Six fields are operated by a production centre, Villeperdue, Merisier, Vert La Gravelle, Dommartin-Lettr e, Soudron and Grandville. Other fields have small gathering facilities where oil and water are separated from very small quantities of natural gas. Oil and water are then trucked to the nearest production centre where separation takes place. Produced water is reinjected in the reservoirs for pressure support.

Crude oil is trucked from the various production centres to the main Villeperdue gathering centre. Oil is sent to the Grandpuits refinery operated by Total SA via a pipeline owned by the Group.

Abandonment Obligations

Abandonment in France consists of permanent plugging of the wells, decommissioning of facilities and platforms and pipeline, and site restoration. A complete review of the wells and facilities status is completed annually on the Oil and Gas Assets in France.

Provisions for the abandonment costs are updated each year based on the latest information. The Group follows the French regulations on the subject and report regularly to the French administration their abandonment activities and cost estimates.

On this basis, non-economic wells and/or no longer producing wells are regularly abandoned as a part of ongoing business activity.

Infrastructure and Marketing

Crude oil is trucked from the various production centres to the main Villeperdue gathering centre. Oil is sent to the Total-operated Grandpuits refinery via a 100% owned pipeline. Oil is stored in tanks in the Villeperdue centre, which can hold approximately 16 days of the total Paris Basin production. It is then exported in batch mode and sold to Total under a contract with Total to the refinery.

Development Plans

A limited number of development campaigns were implemented by Lundin Petroleum, focusing on development drilling opportunities and increasing water injection for pressure maintenance: Merisier in 2004, Grandville in 2011 and Vert La Gravelle in 2014. This latter development was suspended in 2015 following execution of the facility and pipeline work having drilled two wells of a seven well campaign due to the low oil price environment.

There is a renewed management focus on maturing organic growth opportunities in the Oil and Gas Assets in France, including a complete review of the remaining Vert La Gravelle development looking for areas of optimizing and capitalizing on current lower cost environment. Other opportunities are at concept stage which the company will mature and rank as technical work progresses. Execution of such opportunities could offset the already low natural decline rates.

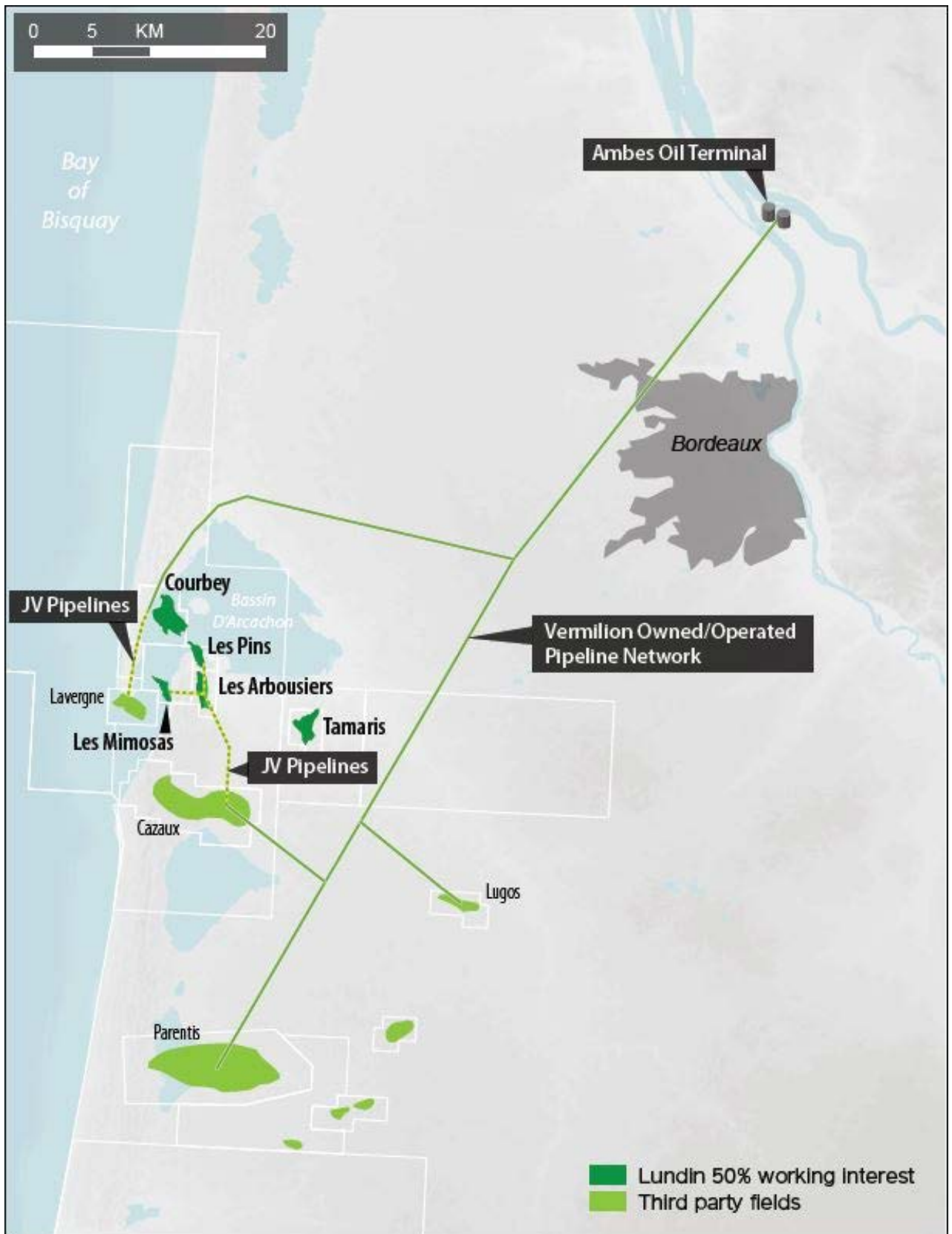
The Vert La Gravelle redevelopment project passed the concept selection milestone in December 2017 and is progressing towards an investment decision by year-end 2018. Final engineering and planning work is now focusing on optimizing the drilling and completion design. Processing and interpretation of the Villeperdue West seismic data that was acquired in late 2017 is ongoing with the aim of reaching a final development investment decision by the year-end. Furthermore, IPC is evaluating the prospectivity of the deeper Triassic horizon within the new 3D area which is produced by IPC in other parts of the Paris Basin.

France – The Aquitaine Basin

Assets Description

The Group has a 50% working interest in five production licences in the Aquitaine Basin. All licences associated with the Oil and Gas Assets are operated by Vermilion, who has the remaining 50% interest.

Fields are well developed with water injection for oil sweep and reservoir pressure support. The developments are constrained by the availability of surface locations resulting in wells that are long reach. All producing wells are activated by electric submersible pumps. Injector wells are equipped with surface injection pumps.



Aquitaine Basin Concessions	Area (km²)	Offshore/ Onshore	Licence Type	IPC Interest	Operator	Expiry	Partners
Les Tamaris	10.0	Onshore	Production	50.00%	Vermilion	Apr-21	Vermilion 50%
Courbey	22.1	Onshore	Production	50.00%	Vermilion	Mar-54	Vermilion 50%
Les Mimosas	20.0	Onshore	Production	50.00%	Vermilion	Nov-31	Vermilion 50%
Les Arbousiers	7.9	Onshore	Production	50.00%	Vermilion	Jan-45	Vermilion 50%
Les Pins	3.6	Onshore	Production	50.00%	Vermilion	Nov-21	Vermilion 50%

Geological Overview

The fields in the Aquitaine Basin produce from the Lower Cretaceous Purbeckian sandstones which are at a depth of 2,700 to 3,300 metres below sea level and are mainly tidal and fluvial with generally good porosity and permeability. The fields are located either immediately under or adjacent to the Bay of Arcachon.

Production Operations

Oil is produced via water-flood drive and is of good quality with an API gravity of 28 to 34. The production wells are equipped with electric submersible pumps.

Oil and water produced from Les Pins and Les Mimosas is transported by a pipeline network to Les Arbousiers where all the oil is transported by flowline to the Vermilion 50% owned and operated Cazaux field. The Group has a 50% interest in the pipelines. From Cazaux, oil is transported via a Vermilion owned and operated pipeline into the Ambes terminal, north of Bordeaux. In 2015, there was an issue with the flowline between Les Arbousiers and Cazaux resulting in a temporary production stoppage from Les Pins, Les Arbousier and Les Mimosas fields. Production has since resumed via trucking.

Abandonment Obligations

Abandonment in France consists of permanent plugging of the wells, decommissioning of facilities and platforms and pipeline, and site restoration. A complete review of the wells and facilities status is carried out every year by the Group and provisions for the abandonment activities are made every year based on the latest information.

On this basis, non-economic and/or no longer producing wells are regularly abandoned as a part of ongoing business and there is no envisioned production centre abandonment planned in the short term.

The Group follows the French regulations on the subject and reports regularly its abandonment activities to the French administration.

Infrastructure and Marketing

Oil produced from the Aquitaine Basin is sold under a sales contract with Total. Approximately each 9 to 10 months, the Group charters its own tanker to transport its equity oil to the Total-operated refineries in Le Havre or Donges on the Northwest coast of France.

Development Plans

The Group supports the operator's study initiatives to identify further development opportunities in the joint venture Aquitaine Basin fields. There are no definitive drilling plans at present.

Netherlands

Summary

Net production from the Netherlands fields during 2017 was 1.2 Mboepd.

The production from the F15 field was permanently shut-in in December 2017 as planned. The facilities will be made hydrocarbon free and put on light-house mode. Testing of the Nieuwehorne-2 exploration well was completed during the fourth quarter of 2017, and the results are being evaluated.

Net production from the Netherlands fields during the third quarter of 2018 was slightly below expectation at 0.7 Mboepd due to lower than expected production from the onshore Slootdorp and Gorredijk fields and changes to planned shutdown schedules. The reduced production from the Gorredijk field is due to third party gas utilizing shared infrastructure. The Gorredijk gas is expected to be recovered at a later date and IPC is receiving a compensation tariff for the backed out volumes minimizing the impact on revenues. Offshore, the E17 field development well planned for second half of 2018 has been delayed until 2019 due to the existing wells producing ahead of expectation.

The Oil and Gas Assets in the Netherlands are non-operated, late-life natural gas fields, both onshore and offshore. These Oil and Gas Assets are non-core and not material to IPC, including with respect to reserves, production and revenues. IPC expects to dispose of these Oil and Gas Assets prior to the end of 2018.

Overview

The Netherlands is the second largest natural gas producer in Europe. It is now a mature hydrocarbon country as onshore production began in the 1950s and offshore production in the 1960s.

The Ministry of Economic Affairs (the “**MEA**”) is responsible for the optimal development of oil and gas resources in the Netherlands. All oil and gas activity is governed by the terms outlined in the 2003 Mining Law, which provides the statutory framework for licensing, decommissioning and abandonment, Dutch State participation and financial obligations of licensees. The Netherlands introduced an open licensing system in 1995 in an effort to maintain exploration activity levels on the Dutch continental shelf. Under this system, all unlicensed acreage is available for allocation at any time during the year.

State participation occurs in the Netherlands via Energie Beheer Nederland BV (“**EBN**”), which acts as an independent partner in the majority of Dutch fields.

New discoveries can be feasibly developed because infrastructure is already in place. This infrastructure plays an important role in maximizing recovery from the sector and owners are working on delaying decommissioning and accelerating near-field developments. Efforts such as the Marginal Fields tax incentive and Fallow Acreage Covenant, which became effective in September 2010, are the latest measures that the Dutch government has taken to encourage exploration and ongoing development on idle acreage.

Assets Description

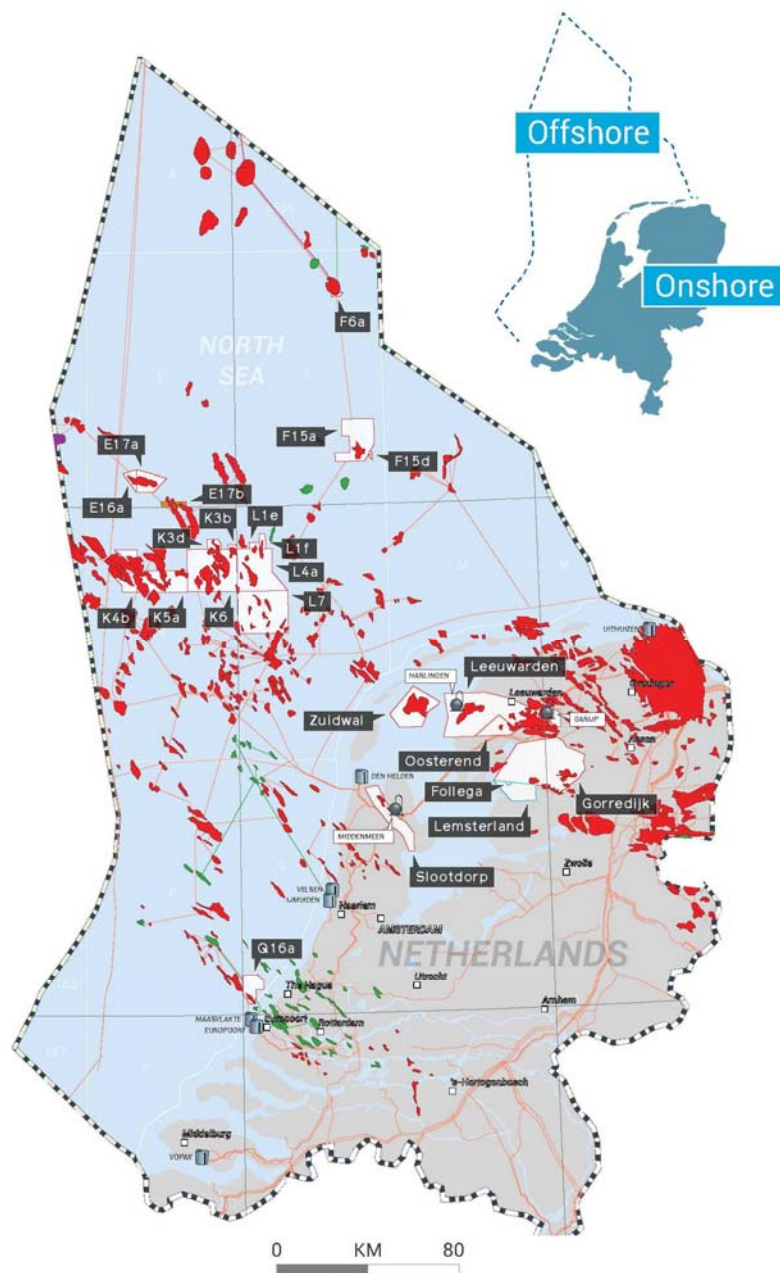
In the Netherlands, the Oil and Gas Assets are located in the southern and eastern part of the Southern North Sea gas province and onshore northern Netherlands. The Netherlands is a mature gas province providing the Group with low decline onshore and offshore production as well as providing upside potential through infill and exploration opportunities. The Group has varying interests in 20 licences and concessions of which 18 are producing licences and concessions and two are exploration licences and concessions. All of the licences and concessions held in the Netherlands are non-operated interests. Operators of the assets are large exploration and production companies in the Netherlands including Vermilion Energy Netherlands BV (“**Vermilion NL**”), Total E&P Nederland BV (“**Total**”), Neptune Energy and Oranje-Nassau Energie BV (“**ONE**”). In the Netherlands, the natural gas pricing is based upon the European gas base pricing reference point.

The administrative, accounting and technical affairs of the Group's activities in the Netherlands are managed from its office in The Hague.

This portfolio provides stable cash flow and exposure to a variety of hydrocarbon plays with reservoir targets at Carboniferous, Rotliegendes, Zechstein, Triassic, Jurassic and Lower Cretaceous intervals. These fields produce by natural pressure depletion, aided by compression.

Most of the natural gas is sold to GasTerra, a company joint owned by the Dutch Government and Shell/ExxonMobil.

The productive horizons in the Group's portfolio of natural gas fields will be generally of Permian or early Triassic age. In the offshore portfolio, the main reservoirs are the upper and lower Slochteren sandstones, and onshore the main reservoir is the Zechstein fractured carbonate with the secondary reservoirs being Vlieland and/or Rotliegend sandstones. Structurally, the fields, both onshore and offshore, tend to have faulting with the degree of compartmentalization varying from field to field.



Netherlands Onshore

The Group has interests in seven onshore licences and concessions, five production licences and concessions and two exploration licences and concessions. All the licences and concessions are operated by Vermilion NL. The onshore blocks are located in the northern part of the Dutch mainland.

The main onshore assets of the Group in the Netherlands are located in the Gorredijk and Slootdorp licences, where recent discoveries, such as the Vinkega and Langezwaag fields, and the Slootdorp 6 & 7 wells have made considerable contributions to field production.

The onshore fields have dedicated processing and dehydration treatment facilities in the vicinity of the concessions in the north of the Netherlands, which are operated by Vermilion NL. The Group has an interest in the following treatment facilities: Harlingen Treatment Centre which supports the Zuidwal and Leeuwarden West fields, the Garijp Treatment Centre, which supports the Gorredijk, Oosterend and Leeuwarden East fields, plus third-party field users generating considerable sharing benefits and tariff income. The Slootdorp and associated fields are treated through their own facilities, the Middenmeer Treatment Facilities. Processed gas is directly exported from these treatment facilities into the Gasunie-operated sales gas network.

Netherlands Onshore Concession	Area (km ²)	Licence Type	IPC Interest	Operator	Expiry	Partners
Follega	3	Exploration	9.300%	Vermilion NL	Does not expire	Vermilion NL 50.70%, EBN 40%
Gorredijk	629	Production	7.750%	Vermilion NL	Does not expire	Vermilion NL 42.25%, EBN 50%
Leeuwarden	614	Production	7.233%	Vermilion NL	Does not expire	Vermilion NL 92.7675%
Lemsterland	111	Exploration	9.300%	Vermilion NL	Does not expire	Vermilion NL 50.70%, EBN 40%
Oosterend	92	Production	7.750%	Vermilion NL	Does not expire	Vermilion NL 42.25%, EBN 50%
Slootdorp	161	Production	7.233%	Vermilion NL	Does not expire	Vermilion NL 92.7675%
Zuidwal	225	Production	7.796%	Vermilion NL	Does not expire	Vermilion NL 42.20405%, EBN 50%

Netherlands Offshore

The Group's offshore main portfolio in the Netherlands consists principally of acreage centred on the K and L blocks in which the predominant play is the Slochteren Formation of the Lower Permian. Elsewhere the F6 and F15 blocks are located at the southern extent of the Dutch Central Graben and block Q16a is located close to the Dutch mainland near the Rotterdam gas terminal.

The Group in the Netherlands has interests in a number of offshore platforms, subsea developments, offshore wells and the related infrastructure. Broadly, offshore natural gas production is concentrated in a core area in the K, L and E blocks. Production from the K4a/K5b is treated at the K5-P platform and transported through the Wintershall-operated, Westgastransport ("**WGT**") pipeline system to Den Helder.

In the K6, L7 area treated gas from the K6-PP platform, on K6-C, is transported to Uithuizen via the K9C A platform and the Neptune Energy-operated L10 platform where it enters the Noordgastransport ("**NGT**") pipeline system. Production from the L4a fields is currently brought to the L7-C Central complex from which point the processed gas is also exported to the L10 complex and routed along the NGT pipeline.

Gas production from the F15 and F3 fields is exported via the Northern Offshore Gas Transport ("**NOGAT**") pipeline system, operated by Nederlandse Aardolie Maatschappij BV ("**NAM**"), to Den

Helder. Gas production from the Q16-FA single well subsea development is tied back to a TAQA (the Abu Dhabi National Energy Company, PJSC)-operated platform and pipeline.

Netherlands Offshore Concession	Area (km ²)	Licence Type	IPC Interest	Operator	Expiry	Partners
E16a	29	Production	1.440%	Neptune Energy	Aug-21	Neptune Energy 41.64%, EBN 40%, Total 16.92%
E17a & E17b	114	Production	1.200%	Neptune Energy	Aug-21	Neptune Energy 34.7%, EBN 50%, Total 14.1%
F6a (oil)	8	Production	7.757%	Total	Sep-22	Total 92.243254%
F6a (gas)	8	Production	4.654%	Total	Sep-22	Total 55.346%, EBN 40%
F15a/d	238	Production	2.531%	Total	May-31	Total 32.468625%, Dyas 7.5%, EBN 50%, First Oil Exploration 7.5% ⁽¹⁾
K3b	7	Production	3.841%	Total	Jan-21	Total 56.158987%, EBN 40%
K3d	26	Production	3.841%	Total	Apr-24	Total 56.158987%, EBN 40%
K4b/K5a	305	Production	2.031%	Total	Jun-33	Total 36.3067%, Dyas 11.862%, EBN 50%
K6/L7	818	Production	3.841%	Total	Jun-20	Total 56.158987%, EBN 40%
L1e	12	Production	4.340%	Total	Jun-20	Total 55.6605%, EBN 40%
L1f	17	Production	6.000%	Total	Jan-33	Total 54%, EBN 40%
L4a	313	Production	4.340%	Total	Dec-21	Total 55.6605%, EBN 40%
Q16a	85	Production	1.814%	ONE	Dec-32	ONE 41.796, EBN 50%, Total 6.48649%

Note:

- (1) As of December 2015, First Oil Exploration went into liquidation. This resulted in the remaining partners increasing their interests proportionally. The IPC Subsidiaries increased their receipt of production and payment of cost to 2.9781%.

Abandonment Obligations

The Group is obliged to pay its proportion of the abandonment cost of their assets, facilities, pipelines and site restoration and are making abandonment provisions. The respective operators periodically carry out studies regarding the methodology to be applied together with the associated cost and provide abandonment cost estimates to partners.

In the offshore fields to date, other than the occasional abandonment of existing wells to make well slots available for new wells, there have been no planned field abandonments. The first field that is forecast to be abandoned is the L7 area facilities, and the operator (Total) is currently working on the abandonment plans.

Infrastructure Upstream Gas Pipelines

Two major offshore pipeline systems (NGT and WGT) were built during the 1970s to serve the central Netherlands offshore gas province. The third major trunkline (NOGAT) was constructed in the early 1990s to evacuate gas from the northern offshore sector. The NGT pipeline is owned by Noordgastransport BV, a private limited liability company owned by PensionDenmark, Neptune Energy, InfraVia, ExxonMobil and Rosewood, and is operated by Neptune Energy. The WGT pipeline is owned by EBN, NAM (a 50-50 joint venture of Shell and Exxon/Mobil), ONE, Total, Tullow Exploration & Production BV and Wintershall Noordzee BV, and is operated by NAM. The NOGAT pipeline is owned by Northern Offshore Gas Transport BV, a private limited liability company owned by EBN, Neptune Energy, Total, Centrica Production Nederland BV and PGGM, and is operated by Neptune Energy.

Gas from the assets operated by Total is sent to the shore via WGT (Western licences, K4bK5a) and NGT (Eastern licences, K6L7, K5F, L4a) pipelines. Gas production from F3 (Neptune Energy-operated) and F15 (Total-operated) licenses transit via the NOGAT pipeline. Production from E17 (Neptune Energy-operated) is sent to shore via the NGT pipeline.

Domestic Gas Infrastructure and Interconnections

The Netherlands have a well-developed onshore gas network to serve household consumers, heavy industry and gas-fired power stations as well as servicing imports and exports of gas. The domestic gas pipeline infrastructure consists of high-pressure transmission gas pipelines to which regional distribution pipelines connect. The high-pressure network is owned by Gasunie and operated by the national gas transmission system operator Gasunie Transport Services BV, a wholly-owned subsidiary of Gasunie.

The regional networks are owned and operated by regional distribution system operators. Both the transmission system operator and distribution system operators are unbundled from production, trade and supply undertakings and manage the network subject to a fully regulated third party access regime, with conditions and tariffs set by the Netherlands Authority for Consumers & Markets, the designated national regulatory authority for the Dutch electricity and gas sector.

The Group's onshore assets use the domestic gas pipelines.

Gas Marketing

Historically, the natural gas pricing mechanism, referred to as NIP, was primarily linked to the price of oil; however, with the opening of the spot market for gas, the GasTerra pricing mechanism has from 2013 changed to a spot market-based pricing mechanism using the Title Transfer Facility (the "TTF") as a reference point. The TTF is a virtual trading point for gas sales in the Netherlands and is similar to the NBP (National Balancing Point) in the United Kingdom. The sellers can opt for different nomination regimes with each regime attracting a different pricing mechanism. These are: "as produced", "buyer's nomination" and "seller's nomination". The Total- and Neptune Energy-operated fields sell under "seller's nomination". The Vermilion NL- and ONE-operated fields sell under "as produced". The "as produced" regime is used for smaller, more depleted fields where it is more difficult to forecast daily quantities.

GasTerra is obliged to purchase all the gas from gas fields in the Netherlands at market prices and conditions; however, the producers are not obliged to sell to GasTerra.

IPC Netherlands BV sells all its gas, other than for the K4K5 and E17A field, to GasTerra. The K4K5 gas is sold to Total and the E17A field is sold to RWE Supply & Trading GmbH, both on a European gas spot basis. In all cases, IPC Netherlands BV markets its gas jointly with its respective operators and partners.

Development Plans

The Dutch government continues to encourage investment through its small gas field policy. As a result, several development and exploration projects are ongoing which are intended to increase production.

The operators of the Oil and Gas Assets in the Netherlands are currently working on reducing operating costs to extend field lives and to add volumes to the existing infrastructure through exploration and development activities with some success. The onshore business benefits from infrastructure owned by field joint venture partners that provides third party tariff income.

These Oil and Gas Assets are non-core and not material to IPC, including with respect to reserves, production and revenues. IPC expects to dispose of these Oil and Gas Assets prior to the end of 2018.

Discontinued Operations

The Corporation indirectly owns or have owned certain other Oil and Gas Assets, which are or were not material to the Corporation.

Indonesia

Lundin Gurita BV, a member of the Group, holds an interest in the Gurita Block PSC which has ceased operations. In 2013, the Indonesian fiscal authorities claimed taxes from Lundin Gurita BV of approximately USD 22 million related to the surface area of the Gurita Block. Lundin Gurita BV disputes the validity of this claim and has challenged the tax in the Indonesian courts. Lundin Petroleum has agreed to indemnify Lundin Gurita BV in respect of any potential liability with respect to this dispute. Following resolution of the tax matter, the Gurita Block will be relinquished or disposed of and Lundin Gurita BV will be liquidated.

Lundin Baronang BV and Lundin Cakalang BV, members of the Group, hold interests in the Baronang and Cakalang Block PSCs, which have ceased operations and for which notices of relinquishments have been made. Following relinquishment of the blocks, each of Lundin Baronang BV and Lundin Cakalang BV will be liquidated.

Tunisia

Lundin Tunisia BV, a member of the Group, is a party to the Oudna concession agreement and joint operating agreement related to the Oudna field, offshore Tunisia. Operations on the Oudna field ceased since 2012 and the field was abandoned with no remaining operational liabilities. Lundin Tunisia BV's interest in the Oudna agreements is expected to be terminated and the company will be liquidated following resolution of certain matters with the Tunisian authorities. In December 2015, the International Centre for Settlement of Investment Disputes in Paris ordered the Tunisian State to pay approximately USD 22 million to Lundin Tunisia BV in respect of defaulted cash calls and past costs related to the Oudna field. The Tunisian fiscal authorities have made claims against Lundin Tunisia BV in respect of Tunisian taxes related to the Oudna field, which currently amounts to USD 12 million plus penalties and interest. The Tunisian authorities have also claimed approximately USD 2 million from Ikdam Production SA, a member of the Group. Lundin Tunisia BV disputes these claims and will continue to discuss an amicable settlement to these matters and/or enforcement of the International Centre for Settlement of Investment Disputes decision.

Ikdam Production SA, previously held an interest in the FPSO Bertam (then known as the FPSO Ikdam), which was contracted to operate at the Oudna field. The Tunisian fiscal authorities have made a claim against Ikdam Production SA in respect of Tunisian taxes. It is expected that these claims will be discussed in connection with the above-described Tunisian disputes with respect to Lundin Tunisia BV. Following resolution of those matters, Ikdam Production SA will be liquidated.

Management of the Corporation does not expect the Corporation to be liable for taxes claimed against either Lundin Tunisia BV or Ikdam Production SA and no contingency has been accounted for in the audited financial statements.

Cambodia

IPC Ventures IV BV, a member of the Group, held an interest in Block E, offshore Cambodia. The Block E PSC has expired. There was an outstanding well commitment in respect of this block amounting to approximately USD 2.6 million, net to IPC Ventures IV BV, which is being discussed between the operator and the Cambodian authorities. Following final closure of the Block E PSC, IPC Ventures IV BV will be liquidated.

Health, Safety and Environmental

IPC conducts its business responsibly, exploring for and producing oil and gas in an economically, socially and environmentally responsible way. IPC respects human rights and protects the health and safety of employees and the natural environment. The Corporation promotes a strong safety culture across the Group in which the value of safety is embedded at all levels, guided by prevention and

vigilance, and where risks are systematically assessed. IPC's environmental approach is based on understanding the operating environment in order to assess potential risks and take appropriate preventive measures.

The Group complies with laws and regulations, and seeks best industry practice to maintain operational efficiency through continuous improvement.

IPC's Code of Ethics and Business Conduct guides its directors, officers and employees in maintaining the commitments. Implementation is ensured through specifically tailored Policies, Procedures and Management Systems that apply to all activities of the Group.

IPC's Code of Ethics and Business conduct may be accessed on the SEDAR website at www.sedar.com under the Corporation's profile or on IPC's website at www.international-petroleum.com.

RESERVES AND OTHER OIL AND GAS INFORMATION RELATING TO THE OIL AND GAS ASSETS

Date of Statement

The Statement of Reserves Data and Other Oil and Gas Information is prepared as at March 30, 2018.

Reserve estimates, contingent resource estimates, prospective resource estimates and estimates of future net revenue in respect of IPC's Initial Oil and Gas Assets in France, Malaysia and the Netherlands are effective as of December 31, 2017 and were prepared by IPC and audited by ERCE in accordance with NI 51-101 and the COGE Handbook, and using McDaniel's January 1, 2018 price forecasts. The report by ERCE is dated February 21, 2018 (the "**ERCE Report**").

Reserves estimates, contingent resource estimates and estimates of future net revenue in respect of IPC's Oil and Gas Assets in Canada are effective as of January 5, 2018, being the completion date for the Suffield Acquisition, and were evaluated by McDaniel in accordance with NI 51-101 and the COGE Handbook, and using McDaniel's January 1, 2018 price forecasts. The report by McDaniel is dated February 22, 2018 (the "**McDaniel Report**").

The information on reserves, contingent resources, prospective resources and estimates of future net revenue is presented below as follows:

- a) The Corporation's Initial Oil and Gas Assets in France, Malaysia and the Netherlands (summarized from the ERCE Report);
- b) The Corporation's Oil and Gas Assets in Canada (summarized from the McDaniel Report); and
- c) Aggregation of the Corporation's Oil and Gas Assets in Canada, France, Malaysia and the Netherlands.

IPC has generated aggregated tables which are the arithmetic sum of the two sets of results to arrive at combined IPC reserve and resource estimates with a reference date of December 31, 2017, even though the Suffield Acquisition of the Suffield area assets in Canada did not complete until January 5, 2018.

Estimates of reserves, resources and future net revenue for individual properties may not reflect the same level of confidence as estimates of reserves, resources and future net revenue for all properties, due to the effects of aggregation. See also "Reserves and Resource Advisory".

IPC's Oil and Gas Assets in France, Malaysia and the Netherlands

Oil and Gas Reserves – Based on Forecast Prices and Costs

Proved Reserves (International)

		France	Netherlands	Malaysia	Sub Total IPC International
Proved Developed Producing (PDP) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	6.40	0.02	3.24	9.66
	net	5.61	0.02	2.79	8.42
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	5.21	-	5.21
	net	-	5.21	-	5.21
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	6.40	0.89	3.24	10.53
	net	5.61	0.89	2.79	9.28
Proved Developed Non Producing (PDNP) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	0.19	0.00	-	0.19
	net	0.16	0.00	-	0.16
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	0.57	-	0.57
	net	-	0.57	-	0.57
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	0.19	0.10	-	0.29
	net	0.16	0.10	-	0.26
Proved Undeveloped (PUD) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	2.23	0.00	0.66	2.90
	net	1.91	0.00	0.57	2.48
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	0.05	-	0.05
	net	-	0.05	-	0.05
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	2.23	0.01	0.66	2.90
	net	1.91	0.01	0.57	2.49
Total Proved (1P) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	8.82	0.02	3.91	12.75
	net	7.68	0.02	3.36	11.06
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	5.83	-	5.83
	net	-	5.83	-	5.83
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	8.82	0.99	3.91	13.72
	net	7.68	0.99	3.36	12.03

Proved plus Probable Reserves (International)

		France	Netherlands	Malaysia	Sub Total IPC International
Proved plus Probable Developed Producing (2PDP) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	13.15	0.03	7.65	20.83
	net	11.60	0.03	6.55	18.19
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	9.55	-	9.55
	net	-	9.55	-	9.55
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	13.15	1.62	7.65	22.42
	net	11.60	1.62	6.55	19.78
Proved plus Probable Developed Non Producing (2PDNP) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	0.52	0.00	-	0.52
	net	0.44	0.00	-	0.45
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	1.21	-	1.21
	net	-	1.21	-	1.21
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	0.52	0.20	-	0.72
	net	0.44	0.20	-	0.65
Proved plus Probable Undeveloped (2PUD) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	3.94	0.00	1.41	5.35
	net	3.38	0.00	1.22	4.60
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	0.06	-	0.06
	net	-	0.06	-	0.06
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	3.94	0.01	1.41	5.36
	net	3.38	0.01	1.22	4.61
Total Probable (PB) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	8.79	0.02	5.15	13.96
	net	7.75	0.02	4.41	12.17
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	4.99	-	4.99
	net	-	4.99	-	4.99
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	8.79	0.85	5.15	14.79
	net	7.75	0.85	4.41	13.01
Total Proved plus Probable (2P) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	17.61	0.04	9.06	26.70
	net	15.43	0.04	7.77	23.24
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	10.82	-	10.82
	net	-	10.82	-	10.82
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	17.61	1.84	9.06	28.51
	net	15.43	1.84	7.77	25.04

Proved plus Probable plus Possible Reserves (International)

		France	Netherlands	Malaysia	Sub Total IPC International
Proved plus Probable plus Possible Developed Producing (3PDP) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	20.56	0.05	9.78	30.39
	net	18.19	0.05	8.38	26.62
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	15.87	-	15.87
	net	-	15.87	-	15.87
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	20.56	2.70	9.78	33.04
	net	18.19	2.70	8.38	29.26
Proved plus Probable plus Possible Developed Non Producing (3PDNP) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	0.59	0.00	-	0.60
	net	0.51	0.00	-	0.52
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	1.88	-	1.88
	net	-	1.88	-	1.88
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	0.59	0.32	-	0.91
	net	0.51	0.32	-	0.83
Proved plus Probable plus Possible Undeveloped (3PUD) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	4.74	0.00	1.99	6.73
	net	4.05	0.00	1.67	5.72
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	0.12	-	0.12
	net	-	0.12	-	0.12
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	4.74	0.02	1.99	6.75
	net	4.05	0.02	1.67	5.74
Total Possible (PS) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	8.29	0.02	2.71	11.02
	net	7.32	0.02	2.28	9.62
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	7.05	-	7.05
	net	-	7.05	-	7.05
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	8.29	1.20	2.71	12.20
	net	7.32	1.20	2.28	10.79
Total Proved plus Probable plus Possible (3P) Reserves					
Light & Medium Crude Oil (MMbbl)	gross	25.89	0.06	11.77	37.72
	net	22.75	0.06	10.04	32.85
Heavy Crude Oil (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Conventional Natural Gas (Bscf)	gross	-	17.87	-	17.87
	net	-	17.87	-	17.87
Natural Gas Liquids (MMbbl)	gross	-	-	-	-
	net	-	-	-	-
Total Oil Equivalent (MMboe)	gross	25.89	3.04	11.77	40.70
	net	22.75	3.04	10.04	35.83

Net Present Value of Future Net Revenue – Proved Reserves (International)

Values in MUSD	Before Deducting Income Tax, Discounted at:						After Deducting Income Tax, Discounted at:						USD / net BOE
	0%	5%	8%	10%	15%	20%	0%	5%	8%	10%	15%	20%	BTAX NPV10
Proved Developed Producing (PDP) Reserves													
France	93.2	91.7	86.6	82.7	72.8	63.9	60.2	68.5	67.4	65.6	59.7	53.7	14.74
Netherlands	-23.7	-10.2	-5.3	-2.8	1.3	3.7	-23.7	-10.2	-5.3	-2.8	1.3	3.7	-3.21
Malaysia	120.7	114.9	111.7	109.7	105.1	100.9	120.7	114.9	111.7	109.7	105.1	100.9	39.33
Subtotal IPC International	190.1	196.4	193.0	189.5	179.1	168.5	157.2	173.3	173.8	172.5	166.1	158.3	20.42
Proved Developed Non Producing (PDNP) Reserves													
France	1.7	0.9	0.6	0.4	0.1	-0.1	1.3	0.7	0.4	0.3	0.0	-0.1	2.67
Netherlands	0.7	1.6	1.8	1.9	1.9	1.8	0.7	1.6	1.8	1.9	1.9	1.8	19.22
Malaysia	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal IPC International	2.4	2.5	2.4	2.3	2.0	1.7	2.0	2.3	2.2	2.2	1.9	1.6	8.84
Proved Undeveloped (PUD) Reserves													
France	66.1	33.8	22.2	16.5	6.7	1.0	48.8	24.6	15.8	11.4	3.8	-0.7	8.61
Netherlands	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	30.09
Malaysia	32.3	30.3	29.2	28.6	27.0	25.6	32.3	30.3	29.2	28.6	27.0	25.6	50.18
Subtotal IPC International	98.6	64.3	51.7	45.3	33.9	26.8	81.3	55.2	45.3	40.2	31.0	25.1	18.18
Total Proved (1P) Reserves													
France	161.0	126.4	109.4	99.6	79.6	64.8	110.3	93.8	83.6	77.3	63.5	52.8	12.96
Netherlands	-22.8	-8.3	-3.2	-0.7	3.4	5.7	-22.8	-8.3	-3.2	-0.7	3.4	5.7	-0.75
Malaysia	153.0	145.2	140.9	138.3	132.1	126.5	153.0	145.2	140.9	138.3	132.1	126.5	41.16
Subtotal IPC International	291.2	263.3	247.1	237.1	215.1	197.0	240.5	230.7	221.3	214.8	199.0	185.0	19.70

Net Present Value of Future Net Revenue – Proved plus Probable Reserves (International)

Values in MUSD	Before Deducting Income Tax, Discounted at:						After Deducting Income Tax, Discounted at:						USD / net BOE
	0%	5%	8%	10%	15%	20%	0%	5%	8%	10%	15%	20%	BTAX NPV10
Proved plus Probable Developed Producing (2PDP) Reserves													
France	333.3	235.6	194.9	173.7	135.4	110.4	230.9	177.8	150.4	135.5	107.7	89.1	14.97
Netherlands	-6.1	8.6	12.6	14.3	16.5	17.0	-7.5	7.3	11.4	12.4	15.3	15.9	8.81
Malaysia	305.9	274.1	258.0	248.3	227.1	209.4	305.9	274.1	258.0	248.3	227.1	209.4	37.90
Subtotal IPC International	633.1	518.3	465.5	436.4	379.0	336.9	529.4	459.1	419.7	396.2	350.1	314.5	22.06
Proved plus Probable Developed Non Producing (2PDNP) Reserves													
France	4.0	4.1	3.1	2.5	1.5	0.9	2.4	3.2	2.5	2.0	1.1	0.6	5.74
Netherlands	3.3	4.2	4.2	4.0	3.5	3.0	2.5	3.5	3.5	3.4	2.9	2.5	19.62
Malaysia	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal IPC International	7.2	8.3	7.3	6.6	5.0	3.9	4.9	6.8	6.0	5.4	4.0	3.1	10.13
Proved plus Probable Undeveloped (2PUD) Reserves													
France	137.4	82.6	62.1	51.7	33.2	21.3	101.0	60.2	44.6	36.7	22.5	13.3	15.29
Netherlands	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.8	0.1	0.1	19.70
Malaysia	85.5	76.9	72.6	70.0	64.3	59.5	85.5	76.9	72.6	70.0	64.3	59.5	57.58
Subtotal IPC International	223.2	159.7	134.9	121.9	97.7	81.0	186.6	137.3	117.3	107.4	86.8	72.9	26.45
Total Probable (PB) Reserves													
France	313.7	195.9	150.8	128.5	90.5	67.8	224.0	147.3	113.8	96.9	67.7	50.3	16.58
Netherlands	20.2	21.4	20.2	19.3	16.8	14.5	18.0	19.3	18.2	17.3	14.9	12.8	22.72
Malaysia	238.5	205.8	189.7	180.0	159.3	142.4	238.5	205.8	189.7	180.0	159.3	142.4	40.84
Subtotal IPC International	572.4	423.1	360.7	327.8	266.6	224.7	480.4	372.4	321.7	294.2	241.9	205.4	25.20
Total Proved plus Probable (2P) Reserves													
France	474.7	322.3	260.1	228.0	170.1	132.6	334.3	241.2	197.4	174.1	131.3	103.1	14.78
Netherlands	-2.6	13.0	17.0	18.5	20.2	20.2	-4.8	11.0	15.0	16.6	18.3	18.5	10.08
Malaysia	391.4	351.0	330.6	318.3	291.4	268.9	391.4	351.0	330.6	318.3	291.4	268.9	40.98
Subtotal IPC International	863.5	686.4	607.8	564.9	481.6	421.7	720.9	603.1	543.0	509.0	441.0	390.5	22.56

Net Present Value of Future Net Revenue – Proved plus Probable plus Possible Reserves (International)

Values in MUSD	Before Deducting Income Tax, Discounted at:						After Deducting Income Tax, Discounted at:						USD / net BOE
	0%	5%	8%	10%	15%	20%	0%	5%	8%	10%	15%	20%	BTAX NPV10
Proved plus Probable plus Possible Developed Producing (3PDP) Reserves													
France	818.8	432.2	323.8	275.5	199.5	156.4	584.6	324.1	246.3	211.1	155.1	123.1	15.15
Netherlands	32.0	35.0	34.7	34.0	31.8	29.3	22.3	27.4	27.9	27.8	26.2	24.4	12.61
Malaysia	440.3	386.1	359.4	343.5	309.4	281.6	440.3	386.1	359.4	343.5	309.4	281.6	41.01
Subtotal IPC International	1'291.1	853.3	717.9	653.1	540.7	467.3	1'047.3	737.6	633.6	582.5	490.8	429.1	22.32
Proved plus Probable plus Possible Developed Non Producing (3PDNP) Reserves													
France	16.7	7.1	4.8	3.9	2.4	1.6	12.4	5.3	3.5	2.8	1.7	1.1	7.51
Netherlands	8.1	7.3	6.4	5.9	4.6	3.7	6.8	6.1	5.3	4.8	3.7	2.9	18.55
Malaysia	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal IPC International	24.8	14.5	11.3	9.7	7.0	5.3	19.1	11.3	8.8	7.6	5.4	4.0	11.72
Proved plus Probable plus Possible Undeveloped (3PUD) Reserves													
France	191.7	115.2	87.3	73.3	48.8	33.4	140.7	83.4	62.3	51.7	33.1	21.4	18.09
Netherlands	0.7	0.7	0.6	0.6	0.6	0.6	0.5	0.4	0.4	0.3	0.4	0.4	30.40
Malaysia	117.8	104.9	98.4	94.6	86.2	79.3	96.6	87.3	82.6	79.8	73.7	68.5	56.79
Subtotal IPC International	310.1	220.8	186.4	168.6	135.6	113.3	237.7	171.1	145.4	131.8	107.1	90.3	29.37
Total Possible (PS) Reserves													
France	552.5	232.2	155.8	124.7	80.6	58.8	403.4	171.5	114.7	91.5	58.6	42.5	17.03
Netherlands	43.4	30.0	24.8	22.0	16.9	13.4	34.4	23.0	18.6	16.3	12.0	9.2	18.37
Malaysia	166.6	140.0	127.2	119.8	104.2	92.0	145.4	122.4	111.5	105.1	91.7	81.2	52.67
Subtotal IPC International	762.5	402.2	307.8	266.5	201.7	164.2	583.2	316.9	244.8	212.9	162.3	132.9	24.69
Total Proved plus Probable plus Possible (3P) Reserves													
France	1'027.1	554.5	415.9	352.7	250.7	191.4	737.7	412.7	312.2	265.7	189.9	145.6	15.50
Netherlands	40.8	43.0	41.8	40.6	37.0	33.6	29.6	33.9	33.6	32.9	30.3	27.6	13.35
Malaysia	558.0	491.0	457.8	438.1	395.6	360.9	536.8	473.4	442.1	423.4	383.1	350.1	43.63
Subtotal IPC International	1'626.0	1'088.5	915.5	831.4	683.4	585.9	1'304.1	920.1	787.8	721.9	603.3	523.3	23.20

Elements of Future Net Revenue (International)

Total Proved (1P) Reserves MUSD	Revenue	Royalties	Operating Costs	Development Costs	Abandonment Costs	Future Net Revenue Before		Future Net Revenue After
						Income Taxes	Income Taxes	
France	693.8	86.1	335.3	32.4	78.9	161.0	50.7	110.3
Netherlands	48.5	-	27.9	0.9	42.4	-22.8	-	-22.8
Malaysia	449.5	26.9	236.2	8.9	24.5	153.0	-	153.0
Subtotal IPC International	1'191.8	113.1	599.5	42.2	145.8	291.2	50.7	240.5
Total Proved and Probable (2P) Reserves								
MUSD	Revenue	Royalties	Operating Costs	Development Costs	Abandonment Costs	Future Net Revenue Before		Future Net Revenue After
						Income Taxes	Income Taxes	
France	1'560.1	181.6	743.1	51.4	109.4	474.7	140.4	334.3
Netherlands	88.9	-	44.7	0.9	45.8	-2.6	2.2	-4.8
Malaysia	875.8	66.2	381.3	8.9	27.9	391.4	-	391.4
Subtotal IPC International	2'524.8	247.8	1'169.1	61.2	183.1	863.5	142.6	720.9
Total Proved and Probable and Possible (3P) Reserves								
MUSD	Revenue	Royalties	Operating Costs	Development Costs	Abandonment Costs	Future Net Revenue Before		Future Net Revenue After
						Income Taxes	Income Taxes	
France	2'428.8	275.2	943.0	57.1	126.4	1'027.1	289.4	737.7
Netherlands	147.4	-	65.4	0.9	40.2	40.8	11.3	29.6
Malaysia	1'084.2	86.5	402.8	8.9	27.9	558.0	21.2	536.8
Subtotal IPC International	3'660.4	361.7	1'411.3	66.9	194.5	1'626.0	321.9	1'304.1

Net Present Value by Product Type (International)

IPC International	Primary Product Type				Total (MUSD)
	Light & Medium Crude Oil (MUSD)	Heavy Crude Oil (MUSD)	Conventional Natural Gas (MUSD)	Natural Gas Liquids (MUSD)	
Future Net Revenue BTAX at 10% Discount					
Total Proved (1P) Reserves	237.8	-	- 0.7	-	237.1
Total Proved and Probable (2P) Reserves	546.3	-	18.5	-	564.9
Total Proved and Probable and Possible (3P) Reserves	790.8	-	40.6	-	831.4

IPC International	Primary Product Type				Total (USD/net boe)
	Light & Medium Crude Oil (USD/bbl)	Heavy Crude Oil (USD/bbl)	Conventional Natural Gas (USD/Mscf)	Natural Gas Liquids (USD/bbl)	
USD per boe by product type					
Total Proved (1P) Reserves	21.54	-	- 0.12	-	19.70
Total Proved and Probable (2P) Reserves	23.55	-	1.68	-	22.56
Total Proved and Probable and Possible (3P) Reserves	24.11	-	2.22	-	23.20

Notes:

(1) Light Medium and Heavy Oil Future Net Revenue and Unit Value include associated gas

(2) Conventional natural Gas revenue and unit Value include associated condensate (light oil)

Forecast Prices used in Estimates (International)

Reference Prices						
	Brent	WTI	WCS	NBP	AECO	Empress
	Light & Medium Oil	Light & Medium Oil	Light & Medium Oil	Conventional Natural Gas	Conventional Natural Gas	Conventional Natural Gas
Year	USD/bbl	USD/bbl	CAD/bbl	USD/mmbtu	CAD/mmbtu	CAD/mmbtu
2017	54.35	50.87	49.70	n/a	2.40	
2018	63.50	58.50	51.90	6.25	2.25	2.70
2019	61.30	58.70	57.00	6.37	2.65	2.95
2020	63.40	62.40	61.40	6.63	3.05	3.21
2021	70.10	69.00	66.00	7.00	3.40	3.56
2022	74.20	73.10	67.90	7.32	3.60	3.76
2023	75.60	74.50	69.20	7.44	3.65	3.82
2024	77.10	76.00	70.60	7.61	3.75	3.92
2025	78.60	77.50	72.00	7.73	3.80	3.97
2026	80.30	79.10	73.50	7.91	3.90	4.08
2027	81.90	80.70	74.90	8.03	3.95	4.13
2028	83.50	82.30	76.40	8.21	4.05	4.23
2029	85.10	83.90	77.90	8.39	4.15	4.34
2030	86.90	85.60	79.50	8.57	4.25	4.44
2031	88.60	87.30	81.10	8.70	4.30	4.49
2032	90.40	89.10	82.70	8.89	4.35	4.55
2033+	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%

Field Prices							
	Canada		France		Netherlands		Malaysia
	Conventional Natural Gas	Light & Medium Oil	Light & Medium Oil	Light & Medium Oil	Conventional Natural Gas	Light & Medium Oil	
Year	USD/bbl (2)	USD/mcf (2)	USD/bbl (4)	USD/bbl (4)	USD/bbl	USD/mcf	USD/bbl (4)
2017	n/a	n/a	50.98	53.44	43.57	5.62	57.30
2018	34.09	1.98	63.25	62.07	63.50	6.09	66.50
2019	38.05	2.18	61.05	59.87	61.30	6.23	64.30
2020	41.91	2.40	63.15	61.97	63.40	6.51	66.40
2021	46.87	2.77	69.85	68.67	70.10	6.89	73.10
2022	49.75	3.02	73.95	72.77	74.20	7.22	77.20
2023	50.70	3.06	75.35	74.17	75.60	7.35	78.60
2024	51.73	3.14	76.85	75.67	77.10	7.51	80.10
2025	52.75	3.19	78.35	77.17	78.60	7.64	81.60
2026	53.85	3.27	80.05	78.87	80.30	7.73	83.30
2027	54.87	3.31	81.65	80.47	81.90	7.84	84.90
2028	55.97	3.40	83.25	82.07	83.50	8.46	86.50
2029	57.07	3.48	84.85	83.67	85.10	8.66	88.10
2030	58.24	3.57	86.65	85.47	86.90	8.86	89.90
2031	59.42	3.61	88.35	87.17	88.60	9.01	91.60
2032	60.59	3.65	90.15	88.97	90.40	9.21	93.40
2033+	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%	+2.0%

(1) Brent, WTI, WCS, and NBP reference prices are taken from McDaniel and Associates January 1, 2018. Price forecast inflated 2%/yr from 2033 onwards

(2) Field reference prices are calculated by McDaniel and Associates and are net of transportation and crude quality adjustments

(3) Netherlands gas prices are based upon the McDaniel NBP gas price forecast and on a field by field basis are calorific value dependent.

(4) The France and Malaysia price forecasts are derived by applying differentials to the reference McDaniel

Exchange rate Assumptions

Rate	2018	2019	2020	2021	2022 on
EUR/USD	0.87	0.87	0.87	0.87	0.87
GBP/USD	0.77	0.77	0.77	0.77	0.77
MYR/USD	4.25	4.25	4.25	4.25	4.25
CAD/USD	1.27	1.27	1.25	1.21	1.18

Reconciliation of Changes in Reserves (International)

Reconciliation of Proved Reserves Mmboe	Malaysia	France	Netherlands	Total
	Light & Medium Oil	Light & Medium Oil	Convent- ional Natural Gas	Oil Equivalent
Opening Balance December 31, 2016	4.9	11.3	0.9	17.0
extensions and improved recovery	+ 0.7	+ 0.0	+ 0.0	+ 0.7
technical revisions	+ 0.8	- 0.5	+ 0.5	+ 0.8
discoveries				+ 0.0
acquisitions				+ 0.0
dispositions				+ 0.0
economic factors	+ 0.0	- 1.1	+ 0.0	- 1.1
production	- 2.4	- 0.9	- 0.4	- 3.7
Closing Balance December 31, 2017	3.9	8.8	1.0	13.7

Reconciliation of Proved + Probable Reserves Mmboe	Malaysia	France	Netherlands	Total
	Light & Medium Oil	Light & Medium Oil	Convent- ional Natural Gas	Oil Equivalent
Opening Balance December 31, 2016	9.5	18.0	1.8	29.4
extensions and improved recovery	+ 1.4	+ 0.5	+ 0.0	+ 1.9
technical revisions	+ 0.8	+ 0.3	+ 0.4	+ 1.6
discoveries				+ 0.0
acquisitions				+ 0.0
dispositions				+ 0.0
economic factors	- 0.3	- 0.3	+ 0.0	- 0.6
production	- 2.4	- 0.9	- 0.4	- 3.7
Closing Balance December 31, 2017	9.1	17.6	1.8	28.5

Reconciliation of Proved + Probable + Possible Reserves Mmboe	Malaysia	France	Netherlands	Total
	Light & Medium Oil	Light & Medium Oil	Convent- ional Natural Gas	Oil Equivalent
Opening Balance December 31, 2016	13.3	23.8	3.2	40.3
extensions and improved recovery	+ 2.0	+ 0.7	+ 0.0	+ 2.7
technical revisions	- 1.1	+ 2.3	+ 0.3	+ 1.5
discoveries				+ 0.0
acquisitions				+ 0.0
dispositions				+ 0.0
economic factors	+ 0.0	- 0.0	+ 0.0	- 0.0
production	- 2.4	- 0.9	- 0.4	- 3.7
Closing Balance December 31, 2017	11.8	25.9	3.0	40.7

Undeveloped Reserves (International)

Undeveloped Reserves - International Assets					
Volumes first attributed by year					
Company Gross Basis					
	Light & Medium Crude Oil (MMbbl)	Heavy Crude Oil (MMbbl)	Conventional Natural Gas (Bscf)	Natural Gas Liquids (MMboe)	Oil Equivalent (MMboe)
Proved Undeveloped					
December 31, 2015	-	-	-	-	-
December 31, 2016	3.1	-	-	-	3.1
December 31, 2017	0.7	-	-	-	0.7
Probable Undeveloped					
December 31, 2015	-	-	-	-	-
December 31, 2016	3.3	-	-	-	3.3
December 31, 2017	1.4	-	-	-	1.4

France / Malaysia Development Projects

	Light & Medium Crude Oil Reserves	Heavy Crude Oil Reserves	Conventional Natural Gas Reserves	Future Project Development Capital (MUSD)				Net Present Value, MUSD Before Deducting Income Tax, Discounted at:						Net Present Value, MUSD After Deducting Income Tax, Discounted at:						BTAX NPV10 per boe	ATAX NPV10 per boe
	MMbbl gross	MMbbl gross	Bscf Gross	2018	2019	Total	USD per boe	0%	5%	8%	10%	15%	20%	0%	5%	8%	10%	15%	20%	USD per boe	USD per boe
France - Vert La Gravelle Redevelopment																					
Proved Undeveloped (PUD)	2.2	-	-	0.9	24.8	25.8	11.5	66	34	22	16	7	1	49	25	16	11	4	1	7.37	5.10
Proved and Probable Undeveloped (PPUD)	3.9	-	-	0.9	39.1	44.3	11.2	137	83	62	52	33	21	101	60	45	37	22	13	13.13	9.30
Proved plus Probable plus Possible Undeveloped (PPPUD)	4.7	-	-	0.9	39.1	49.8	10.5	192	115	87	73	49	33	141	83	62	52	33	21	15.47	10.9C
Malaysia - A16 and A17 Development Wells																					
Proved Undeveloped (PUD)	0.7	-	-	7.7	-	7.7	11.7	32	30	29	29	27	26	32	30	29	29	27	26	43.15	43.15
Proved and Probable Undeveloped (PPUD)	1.4	-	-	7.7	-	7.7	5.5	85	77	73	70	64	59	85	77	73	70	64	59	49.52	49.52
Proved plus Probable plus Possible Undeveloped (PPPUD)	2.0	-	-	7.7	-	7.7	3.9	118	105	98	95	86	79	97	87	83	80	74	68	47.50	40.10
Subtotal France / Malaysia																					
Proved Undeveloped (PUD)	2.9	-	-	8.7	24.8	33.5	11.6	98	64	51	45	34	27	81	55	45	40	31	25	15.55	13.80
Proved and Probable Undeveloped (PPUD)	5.4	-	-	8.7	39.1	52.0	9.7	223	159	135	122	97	81	186	137	117	107	87	73	22.73	19.92
Proved plus Probable plus Possible Undeveloped (PPPUD)	6.7	-	-	8.7	39.1	57.5	8.5	309	220	186	168	135	113	237	171	145	132	107	90	24.94	19.54

IPC has proven, probable, and possible undeveloped reserves attributed to two projects: the drilling of the A16 and A17 development wells in Malaysia and the redevelopment of the Vert La Gravelle field in France.

Undeveloped Reserves are attributed in accordance with engineering and geological practices as defined under NI 51-101.

Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. These reserves have a 90% probability of being recovered.

Probable undeveloped reserves are those reserves that are less certain to be recovered than proved reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. These reserves have a 50% probability of being recovered.

Possible undeveloped reserves are those reserves that are less certain to be recovered than probable reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. These reserves have a 10% probability of being recovered.

See also "Reserves and Resource Advisory".

The pace of development of proven undeveloped reserves will be influenced by many factors, including but not limited to, the outcomes of yearly drilling and reservoir evaluations, changes in commodity

pricing, changes in capital allocations, changing technical conditions, regulatory changes and impact of future acquisitions and dispositions.

In general, development of probable undeveloped reserves requires additional evaluation data to increase the probability of success to an acceptable level for the Corporation. This increases the timeline for the development of these reserves. This timetable may be altered depending on outside market forces, changes in capital allocations and impact of future acquisitions and dispositions.

Malaysia

A two well infill campaign was sanctioned in 2017 and began during the fourth quarter of 2017. The project was well progressed at December 31, 2017 but not to the extent that the reserves attributed to the project could be classed as developed. The project has been completed and the infill wells were brought on stream in mid-January (A16) and mid-February (A17).

Additional development and exploration potential has been identified in the field which is discussed further in the Contingent and Prospective Resources sections.

France

IPC has plans for a five-well drilling campaign in the 100%-operated Vert La Gravelle field in the Paris Basin. This is a continuation of a programme that was halted in 2015 as a result of the changing economic climate. The facility and flow line work is complete and the remaining project scope covers drilling and completing the new production and injection wells. This project is considered in the undeveloped reserves base and is projected to start execution in 2019.

Infrastructure investments in the short term will include a maintenance program in the central part of the Villeperdue field and a provision for future pipeline work in the Les Arbousiers field in the Aquitaine Basin.

Significant Factors or Uncertainties Affecting Reserves Data (International)

In Malaysia, the main uncertainties relate to reservoir performance in particular rate of water-cut build for the recent wells A15, A16, and A17. This uncertainty has been captured in the 1P to 3P range of estimates. Other uncertainties include, but are not limited to, facility uptime performance, electric submersible pump performance and run life, and operating cost performance. There are no material abandonment and reclamation costs other than what has been considered in the reserves assessment, high expected development or operating costs, or contractual obligations that would impair the Group's realized prices.

In France, the main uncertainties relate to reservoir performance in the Triassic formation pools that are early in their water-flood life. This uncertainty has been captured in the 1P to 3P range of estimates. The performance of the future development at Vert La Gravelle is also an uncertainty considered in the estimates. There are no material abandonment and reclamation costs other than what has been considered in the reserves assessment, high expected development or operating costs, or contractual obligations that would impair the Group's realized prices. In addition, the French government enacted legislation in 2017 to restrict production of oil and gas under existing production licenses in France from 2040. The reported proved reserves assume a cessation of production as at 2040, although given the uncertainties regarding the application of this new legislation, the reported probable and possible reserves do not assume cessation at such date.

In the Netherlands, the main uncertainties in the reserves data relate to reservoir and operating cost performance. There are five licenses in the Netherlands with no reserves attributed but with abandonment liability. The following table contains management estimates of the value of the liability. There are no other material abandonment and reclamation costs other than what has been considered in the reserves assessment, high expected development or operating costs, or contractual obligations that would impair the Group's realized prices.

Abandonment Liability Estimates
After Deducting Income Tax, Discounted at:

	0%	5%	8%	10%	15%	20%
	(MUSD)	(MUSD)	(MUSD)	(MUSD)	(MUSD)	(MUSD)
Onshore						
Oosterend	0.5	0.5	0.5	0.5	0.4	0.4
Offshore						
F15a	1.2	0.9	0.8	0.7	0.6	0.5
F15b	0.8	0.6	0.6	0.5	0.4	0.3
F3UG	0.0	0.0	0.0	0.0	0.0	0.0
L7	12.3	9.7	8.4	7.6	6.1	4.9
Subtotal Offshore	14.3	11.2	9.7	8.9	7.1	5.7
Netherlands Total	14.8	11.7	10.2	9.3	7.5	6.1

See also “Reserves and Resource Advisory”.

Future Development Costs (International)

	2018	2019	2020	2021	2022	2023 on	Total for all years undiscounted	Total for all years discounted at 10% p.a.
Total Proved								
France	5.1	26.2	1.1	-	-	-	32.4	28.4
Netherlands	0.9	-	-	-	-	-	0.9	0.9
Malaysia	8.9	-	-	-	-	-	8.9	8.8
Total	15.0	26.2	1.1	-	-	-	42.2	38.0
Total Proved Plus Probable								
France	5.3	40.7	5.4	-	-	-	51.4	44.5
Netherlands	0.9	-	-	-	-	-	0.9	0.9
Malaysia	8.9	-	-	-	-	-	8.9	8.8
Total	15.2	40.7	5.4	-	-	-	61.2	54.1

Expectations of Sources and Costs of Funding (International)

The Corporation’s development program will be funded by a combination of internally generated cash flows, access to existing and future credit facilities and possible equity financings. There is no assurance that the Group will allocate funds to develop the reserves as represented in this prospectus. The Group may choose to delay or cancel discretionary development projects depending on economic factors, strategy and priorities. Equally, the Group may choose to accelerate activity where possible should circumstances allow.

Cost of funding is not included in the future net revenue estimates. The cost of funding is not expected to make further development activity uneconomic.

Producing and Non-Producing Well Counts (International)

	Oil				Gas			
	Producing		Non-Producing		Producing		Non-Producing	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	wells	wells	wells	wells	wells	wells	wells	wells
Malaysia	11.0	8.3	-	-	-	-	-	-
France	118.0	111.3	6.0	6.0	-	-	-	-
Netherlands	3.0	0.0	-	-	96.0	5.0	-	-

Properties with No Attributed Reserves (International)

Country	Property	Operator	Working Interest	Location	Gross Area (ha)	Net Area (ha)	Nature of Outstanding Commitment	Outstanding Work Commitments				
								Detail of Work Commitment	Gross Amount (MUSD)	Amount Planned in 2018 (MUSD) Towards Commitments	Amount Planned after 2018 (MUSD) Towards Commitments	End of Commitment Period
France	Est-Champagne	IPC	100%	Onshore	132	132	none	-	-	-	-	-
	Esth�ria	IPC	100%	Onshore	4'300	4'300	none	-	-	-	-	-
	Pays du Saulnois	IPC	40.0%	Onshore	19'800	7'920	none	-	-	-	-	-
	Pivot	IPC	100%	Onshore	19'800	19'800	none	-	-	-	-	-
Netherlands	Follega	Vermilion	9.30%	Onshore	300	28	none	-	-	-	-	-
	Lernsterland	Vermilion	9.30%	Onshore	11'100	1'032	none	-	-	-	-	-
Malaysia	PM328	IPC	35.0%	Offshore	560'000	196'000	none	-	-	-	-	-
	SB303 GHA	IPC	55.0%	Offshore	3'000	1'650	none	-	-	-	-	-
	PM307 GHA	IPC	75.0%	Offshore	10'800	8'100	none	-	-	-	-	-

The Corporation's properties with no attributed reserves include four exploration licenses in France, two exploration licenses in the Netherlands, one exploration license in Malaysia, and two Gas Holding Areas (GHA) in Malaysia. None of these properties have significant abandonment and reclamation costs, unusually high expected development or operating costs, or contractual obligations that would impact the realized pricing.

The Gas Holding Areas in Malaysia cover existing gas discoveries that would require transportation infrastructure to develop. The capital cost associated with such infrastructure could be high relative to the size of these potential future developments. The development could require a portion of the gas to be sold at domestic pricing.

Tax Horizon (International)

In Malaysia, the Corporation has a significant cost recovery balance of USD 332 million as of January 1, 2018 and Petroleum Income Tax loss carryforwards of USD 48 million as of January 1, 2018. In the Netherlands, the Corporation benefits from a corporate tax loss carryforward, which is non-field specific, of approximately EUR 140 million as of January 1, 2018. Management expects to utilize the benefits of these loss positions over the next several years and expects to pay insignificant taxes in Malaysia and the Netherlands over this period. IPC pays current taxes in France. In December 2017, legislation was approved in France to reduce income tax rates starting in 2019.

Costs Incurred (International)

2017 costs incurred MUSD	Property Acquisition Costs		Exploration Costs	Appraisal Costs	Development Costs
	Proved Properties	UnProved Properties			
France	-	-	0.0	4.2	4.6
Malaysia	-	-	0.2	-0.3	11.7
Netherlands	-	-	0.8	-	1.8
Total	-	-	1.0	3.9	18.1

Exploration and Development Activities (International)

Exploration Activity Summary

	France		Netherlands		Malaysia	
	gross	net	gross	net	gross	net
wells completed	-	-	1.0	0.0	-	-
completed as						
oil well	-	-	-	-	-	-
gas well	-	-	-	-	-	-
service well	-	-	-	-	-	-
stratigraphic test well	-	-	-	-	-	-
dry hole	-	-	1.0	0.0	-	-

Development Activity Summary

	France		Netherlands		Malaysia	
	gross	net	gross	net	gross	net
wells completed	-	-	1.0	0.1	-	-
completed as						
oil well	-	-	-	-	-	-
gas well	-	-	1.0	0.1	-	-
service well	-	-	-	-	-	-
stratigraphic test well	-	-	-	-	-	-
dry hole	-	-	-	-	-	-

Production Forecast Estimates (International)

	Light & Medium Crude Oil (Mbb/d)	Heavy Crude Oil (Mbb/d)	Convent- ional Natural Gas (Mboe/d)	Natural Gas Liquids (Mboe/d)	Total (Mboe/d)
Total Proved (1P) Scenario					
France	1.96	-	-	-	1.96
Netherlands	0.02	-	0.79	-	0.80
Malaysia	5.29	-	-	-	5.29
Subtotal IPC International	7.27	-	0.79	-	8.05
Total Proved plus Probable (2P) Scenario					
France	2.31	-	-	-	2.31
Netherlands	0.02	-	0.94	-	0.96
Malaysia	6.58	-	-	-	6.58
Subtotal IPC International	8.92	-	0.94	-	9.86
Total Proved plus Probable plus Possible (3P) Scenario					
France	2.62	-	-	-	2.62
Netherlands	0.02	-	1.08	-	1.10
Malaysia	7.72	-	-	-	7.72
Subtotal IPC International	10.36	-	1.08	-	11.44

Production History (International)

France - Light and Medium Crude Oil	Q1 '17	Q2'17	Q3'17	Q4'17	2017
Production, Mbopd	2.47	2.49	2.47	2.38	2.44

Unit Volume Average (USD/bbl)

Prices received	78.41	38.22	46.28	54.89	54.36
Royalties Paid	2.70	2.81	3.04	6.46	3.74
Production Costs	39.56	16.63	19.18	27.24	25.59
Netback	36.15	18.78	24.06	21.19	25.03

Netherlands - Conventional Natural Gas	Q1 '17	Q2'17	Q3'17	Q4'17	2017
Production, MMscf/d	8.68	6.58	6.86	6.24	7.08

Unit Volume Average (USD/bbl)

Prices received	37.00	33.21	35.95	43.83	37.38
Royalties Paid	-	0.08	0.00	0.00	0.02
Production Costs	12.42	18.31	21.89	22.53	18.33
Netback	24.58	14.82	14.06	21.30	19.03

Malaysia - Light and Medium Crude Oil	Q1 '17	Q2'17	Q3'17	Q4'17	2017
Production, Mbopd	7.59	6.99	5.65	6.53	6.68

Unit Volume Average (USD/bbl)

Prices received	43.15	57.48	64.98	63.75	56.61
Royalties Paid	0.27	0.26	0.23	0.31	0.27
Production Costs	0.97	15.14	22.67	12.74	12.19
Netback	41.91	42.08	42.08	50.70	44.15

IPC Total - Oil Equivalent	Q1 '17	Q2'17	Q3'17	Q4'17	2017
Production, Mboepd	11.51	10.58	9.17	9.94	10.31

Unit Volume Average (USD/bbl)

Prices received	50.32	50.17	56.52	59.68	53.96
Royalties Paid	0.76	0.84	0.94	1.75	1.06
Production Costs	10.69	15.82	21.66	17.23	16.07
Netback	38.87	33.51	33.92	40.70	36.83

Contingent Resources (International)

Working Interest Contingent Resources	Project Type	Technology	Economic Sub Class	Project Maturity	Project Evaluation	Working Interest
Malaysia						
Bertam Field	Development Drilling (2)	Established	Economic	Development Unclassified	Conceptual	75%
France Paris Basin						
Amaltheus	Development Drilling, Improved Water Injection	Established	not determined	Development Unclassified	Conceptual	100%
Courdemanges	Development Drilling, Improved Water Injection	Established	not determined	Development Unclassified	Conceptual	100%
Dommartin Lettree	Development Drilling, Improved Water Injection	Established	not determined	Development Unclassified	Conceptual	43.01%
Genievre	Improved water injection	Established	not determined	Development Unclassified	Conceptual	100%
Grandville	Development Drilling	Established	not determined	Development Unclassified	Conceptual	100%
Merisier	Development Drilling	Established	not determined	Development Unclassified	Conceptual	100%
Soudron	Development Drilling, Improved Water Injection	Established	not determined	Development Unclassified	Conceptual	100%
Vert La Gravelle	Development Drilling	Established	not determined	Development Unclassified	Conceptual	100%
Villeperdue	Development Drilling, Improved Water Injection	Established	not determined	Development Unclassified	Conceptual	100%
Villeseneux	Development Drilling	Established	not determined	Development Unclassified	Conceptual	100%
France Aquitaine Basin						
Courbey	Development Drilling	Established	not determined	Development Unclassified	Conceptual	50%

Working Interest Contingent Resources	Light Crude Oil & Medium Crude Oil Mbbl			Heavy Crude Oil Mbbl			Conventional Natural Gas MMscf			Total Oil Equivalent Mboe			Chance of Develop ment
	1C	2C	3C	1C	2C	3C	1C	2C	3C	1C	2C	3C	
Malaysia													
Bertam Field	828	1'380	1'932	-	-	-	-	-	-	828	1'380	1'932	75%
France Paris Basin													
Amaltheus	202	719	1'245	-	-	-	-	-	-	202	719	1'245	50%
Courdemanges	428	1'558	2'651	-	-	-	-	-	-	428	1'558	2'651	50%
Dommartin Lettree	521	993	1'285	-	-	-	-	-	-	521	993	1'285	50%
Genievre	-	84	231	-	-	-	-	-	-	-	84	231	50%
Grandville	111	1'499	2'093	-	-	-	-	-	-	111	1'499	2'093	50%
Merisier	564	2'582	4'052	-	-	-	-	-	-	564	2'582	4'052	50%
Soudron	1'436	1'599	2'512	-	-	-	-	-	-	1'436	1'599	2'512	50%
Vert La Gravelle	-	104	1'010	-	-	-	-	-	-	-	104	1'010	50%
Villeperdue	2'272	4'188	4'710	-	-	-	-	-	-	2'272	4'188	4'710	50%
Villeseneux	204	512	605	-	-	-	-	-	-	204	512	605	50%
Paris Basin Subtotal Unrisked	5'738	13'838	20'393	-	-	-	-	-	-	5'738	13'838	20'393	
France Aquitaine Basin													
Courbey	1'300	2'150	3'700	-	-	-	-	-	-	1'300	2'150	3'700	50%

Working Interest Contingent Resources	Light Crude Oil & Medium Crude Oil Mbbl			Heavy Crude Oil Mbbl			Conventional Natural Gas MMscf			Total Oil Equivalent Mboe		
	1C	2C	3C	1C	2C	3C	1C	2C	3C	1C	2C	3C
Subtotal by Country												
Unrisked												
Malaysia	828	1'380	1'932	-	-	-	-	-	-	828	1'380	1'932
France	7'038	15'988	24'093	-	-	-	-	-	-	7'038	15'988	24'093
Total Unrisked	7'866	17'368	26'025	-	-	-	-	-	-	7'866	17'368	26'025
Subtotal by Country												
Risked by Chance of Development												
Malaysia	621	1'035	1'449	-	-	-	-	-	-	621	1'035	1'449
France	3'519	7'994	12'047	-	-	-	-	-	-	3'519	7'994	12'047
Total Risked	4'140	9'029	13'496	-	-	-	-	-	-	4'140	9'029	13'496

Malaysia

The contingent resources in Malaysia relate to the drilling of two additional infill producers which are analogous in concept to the recently executed A16 and A17 infill wells. There are spare slots on the wellhead platform to accommodate the new wells so capital requirements relate to drilling, completion, and a minor amount for surface tie-in. No material facility modifications are required to accommodate the new wells. The estimated cost is between USD 30 and 40 million for the two well campaign.

The main contingencies relate to refinement of project definition and approval of the development concept. Timing of first commercial production, should the project proceed, is expected to be in the 2019 to 2020 horizon. Positive factors include opportunity to reduce capital requirements and to improve per well production performance relative to forecast. Negative factors include crude oil price

risk as well as geologic and reservoir performance risk. The total best estimate contingent resources attributed to oil drilling is 1.4 MMboe which is classed in economic sub-category. The uncertainty in this project is captured in the 1C and 3C resource range 0.8 to 1.9 MMboe. This project is considered to have a 0.75 chance of development.

A detailed development study and discounted cash flow evaluation specific to these two wells has not been undertaken, however an economic threshold sensitivity run by IPC and reviewed by ERCE is considered adequate to classify these resources as economic under economic conditions that are the same as those used for reporting reserves.

France

The contingent resource estimates reported for France relate to development drilling and water-flood optimization opportunities. In all cases, the product type is light crude oil. The risk and uncertainty associated with the contingent resources in France is largely due to limited seismic coverage and understanding of structural extent of the fields. To recover the contingent resources, the drilling of development wells and, in some instances, the modification of existing production facilities would be required. Project development timing for the highest ranked opportunities will potentially be in the next two to five years with the remaining within the next ten years. Positive factors include opportunity to reduce capital requirements and to improve per well production performance relative to forecast. Negative factors include crude oil price risk as well as geologic and reservoir performance risk. In all cases, the contingent resources require a definitive development plan and approval of the plan to mature from contingent resources to reserves. Implicit in project approval is the demonstration of economic development scheme to recover the resources.

Prospective Resources (International)

Malaysia

Prospect	Working Interest	Gross Working Interest			Chance of Commerciality	Risked Gross Working Interest			
		Light Crude Oil & Medium Crude Oil				Light Crude Oil & Medium Crude Oil			
		(Mbbbl)				(Mbbbl)			
		Low	Mid	High		Low	Best	High	
Bertam (Keruing)	I-35	75%	2'025	5'400	11'775	20.2%	409	1'091	2'379
Bertam Extension		75%	180	435	1'035	35.0%	63	152	362

The prospective resources related to I-35 (Keruing) relate to a closure mapped in a horizon shallower than the Bertam K10.1 productive horizon. The target reservoir has been penetrated by several wells demonstrating reservoir quality however there are no clear indications of oil in the wells drilled to date. 3D seismic interpretation suggests a closure up-dip of the drilled wells indicating the potential for a hydrocarbon accumulation. Charge and closure are the two main risks with the chance of geologic success estimated at 20.2%. The prospect is in a location that could potentially be developed across the FPSO Bertam. Positive factors include the potential for a stratigraphic trapping mechanism resulting in volumes towards the high end of the estimated range. Negative factors include exploration risk and the risk of high development costs. Chance of development in a discovery scenario is considered high. The product type is expected to be light crude oil.

The cost of development in a discovery scenario is estimated to be USD 50 to 100 million depending on production and injection well requirements and infrastructure modifications at the FPSO Bertam. The recovery technology would be either natural water drive or water-flood. Timing of an exploration well might be in the next 2 years resulting in first production in the next 2 to 5 years.

The Bertam extension prospective resources relate to a feature mapped on 3D seismic less than 1 km to the east of the Bertam K10.1 field limit. This feature is analogous to the productive A-15 area accumulation, which was drilled and put on production in 2016. The target reservoir has been drilled

extensively in the nearby Bertam field so reservoir, seal, and source are relatively low risk. The main risks relate to oil water contact level and closure. The chance of success has been estimated at 35%. Chance of development in a discovery scenario is considered high. This prospect is within reach of the Bertam wellhead platform and production could be accommodated in the existing facilities. Positive factors include the potential for an oil water contact deeper than the Bertam field and higher than expected reservoir properties. Negative factors include the risk of finding a limited oil column to develop. The product type is expected to be light crude oil.

The cost of development in a discovery scenario is estimated to be USD 15 to 25 million depending on pilot well requirements. No major modifications to the FPSO would be required to accommodate production from this prospect. The recovery technology would be natural water drive. Timing of an exploration well might be in the next 1 to 2 years resulting in first production within months of drilling.

IPC's Oil and Gas Assets in Canada

Oil and Gas Reserves – Based on Forecast Prices and Costs

Proved Reserves (Canada)

	Proved Developed Producing	Proved Developed Non Producing	Proved Undeveloped	Total Proved
Light & Medium Crude Oil (MMbbl)				
Company Gross Working Interest Reserves	-	-	-	-
Company Net Reserves	-	-	-	-
Heavy Crude Oil (MMbbl)				
Company Gross Working Interest Reserves	13.1	0.3	5.4	18.9
Company Net Reserves	12.6	0.3	5.1	17.9
Conventional Natural Gas (Bscf)				
Company Gross Working Interest Reserves	331.2	26.1	0.6	357.8
Company Net Reserves	313.9	24.8	0.6	339.2
Natural Gas Liquids (MMbbl)				
Company Gross Working Interest Reserves	0.0	0.0	0.0	0.0
Company Net Reserves	0.0	0.0	0.0	0.0
Total Oil Equivalent (Mmboe)				
Company Gross Working Interest Reserves	68.3	4.7	5.6	78.6
Company Net Reserves	64.9	4.4	5.2	74.5

Proved plus Probable Reserves (Canada)

	Proved plus Probable Developed Producing	Proved plus Probable Developed Non Producing	Proved plus Probable Undeveloped	Total Probable	Total Proved plus Probable
Light & Medium Crude Oil (MMbbl)					
Company Gross Working Interest Reserves	-	-	-	-	-
Company Net Reserves	-	-	-	-	-
Heavy Crude Oil (MMbbl)					
Company Gross Working Interest Reserves	17.4	0.3	9.6	8.4	27.3
Company Net Reserves	16.5	0.3	8.8	7.7	25.7
Conventional Natural Gas (Bscf)					
Company Gross Working Interest Reserves	379.3	58.7	1.1	81.3	439.1
Company Net Reserves	359.5	55.2	1.1	76.5	415.8
Natural Gas Liquids (MMbbl)					
Company Gross Working Interest Reserves	0.0	0.1	0.0	0.1	0.1
Company Net Reserves	0.0	0.0	0.0	0.0	0.1
Total Oil Equivalent (Mmboe)					
Company Gross Working Interest Reserves	80.6	10.2	9.8	22.1	100.6
Company Net Reserves	76.5	9.5	9.0	20.5	95.0

Proved plus Probable plus Possible Reserves (Canada)

	Proved plus Probable plus Possible Developed Producing	Proved plus Probable plus Possible Developed Non Producing	Proved plus Probable plus Possible Undeveloped	Total Possible	Total Proved plus Probable plus Possible
Light & Medium Crude Oil (MMbbl)					
Company Gross Working Interest Reserves	-	-	-	-	-
Company Net Reserves	-	-	-	-	-
Heavy Crude Oil (MMbbl)					
Company Gross Working Interest Reserves	21.7	0.5	12.3	7.2	34.5
Company Net Reserves	20.5	0.4	11.1	6.3	32.0
Conventional Natural Gas (Bscf)					
Company Gross Working Interest Reserves	427.1	69.3	1.4	58.7	497.8
Company Net Reserves	404.8	65.2	1.3	55.6	471.4
Natural Gas Liquids (MMbbl)					
Company Gross Working Interest Reserves	0.0	0.1	0.0	0.0	0.1
Company Net Reserves	0.0	0.0	0.0	0.0	0.1
Total Oil Equivalent (Mmboe)					
Company Gross Working Interest Reserves	92.9	12.1	12.6	17.0	117.6
Company Net Reserves	87.9	11.3	11.3	15.6	110.6

Net Present Value of Future Net Revenue – Proved Reserves (Canada)

	Proved Developed Producing	Proved Developed Non Producing	Proved Undeveloped	Total Proved
Net Present Value Before Tax (MUSD)				
0%	534.7	45.8	136.4	717.0
5%	519.6	31.5	69.4	620.5
8%	480.9	25.4	48.6	554.9
10%	454.1	22.1	38.8	515.0
15%	393.0	15.6	22.6	431.2
20%	343.2	11.0	13.0	367.1

	Proved Developed Producing	Proved Developed Non Producing	Proved Undeveloped	Total Proved
Net Present Value After Tax (MUSD)				
0%	419.3	34.3	117.0	570.6
5%	427.9	22.7	55.8	506.4
8%	399.9	17.8	37.4	455.1
10%	379.1	15.2	28.9	423.2
15%	330.0	10.1	15.2	355.2
20%	289.1	6.6	7.2	302.9

Net Present Value of Future Net Revenue – Proved plus Probable Reserves (Canada)

	Proved plus Probable Developed Producing	Proved plus Probable Developed Non Producing	Proved plus Probable Undeveloped	Total Probable	Total Proved plus Probable
Net Present Value Before Tax (MUSD)					
0%	761.3	115.1	295.7	455.1	1'172.1
5%	664.6	78.7	143.4	266.2	886.7
8%	593.7	63.5	101.2	203.5	758.4
10%	550.9	55.3	82.1	173.2	688.2
15%	461.9	39.6	51.1	121.4	552.5
20%	395.0	28.7	33.1	89.8	456.9

	Proved plus Probable Developed Producing	Proved plus Probable Developed Non Producing	Proved plus Probable Undeveloped	Total Probable	Total Proved plus Probable
Net Present Value After Tax (MUSD)					
0%	602.3	84.9	245.2	361.9	932.4
5%	542.8	56.6	110.7	203.8	710.2
8%	487.9	44.9	75.3	153.1	608.2
10%	453.9	38.7	59.6	129.0	552.2
15%	382.2	26.8	34.8	88.6	443.9
20%	327.9	18.8	20.8	64.6	367.4

Net Present Value of Future Net Revenue – Proved plus Probable plus Possible Reserves (Canada)

		Proved plus			Total Possible	Total Proved plus Probable plus Possible
		Proved plus Probable plus Possible Developed Producing	Probable plus Possible Developed Non Producing	Proved plus Probable plus Possible Undeveloped		
Net Present Value Before Tax (MUSD)						
	0%	1'013.9	156.2	435.9	433.8	1'605.9
	5%	791.6	107.7	205.0	217.6	1'104.3
	8%	685.4	87.1	144.8	158.8	917.2
	10%	626.6	75.9	117.9	132.2	820.4
	15%	512.6	54.7	74.9	89.6	642.2
	20%	431.6	40.0	50.2	65.0	521.9
Net Present Value After Tax (MUSD)						
	0%	811.9	114.1	344.0	337.5	1'270.0
	5%	642.8	77.5	154.3	164.5	874.6
	8%	558.5	62.0	106.2	118.6	726.7
	10%	511.6	53.7	85.1	98.2	650.4
	15%	420.1	37.8	51.9	65.9	509.8
	20%	354.9	27.0	33.1	47.6	415.0

Elements of Future Net Revenue (Canada)

Total Proved (1P) Reserves MUSD	Revenue	Royalties	Operating Costs	Development Costs	Abandonment Costs	Future Net Revenue Before		Future Net Revenue After Income Taxes
						Income Taxes	Income Taxes	
Canada	2'015.9	92.9	735.5	138.5	332.1	717.0	146.4	570.6
Total Proved and Probable (2P) Reserves								
Total Proved and Probable (2P) Reserves MUSD	Revenue	Royalties	Operating Costs	Development Costs	Abandonment Costs	Future Net Revenue Before		Future Net Revenue After Income Taxes
Canada	2'814.6	152.1	955.9	184.3	350.2	1'172.1	239.7	932.4
Total Proved and Probable and Possible (3P) Reserves								
Total Proved and Probable and Possible (3P) Reserves MUSD	Revenue	Royalties	Operating Costs	Development Costs	Abandonment Costs	Future Net Revenue Before		Future Net Revenue After Income Taxes
Canada	3'502.8	219.0	1'137.9	184.3	355.8	1'605.9	335.9	1'270.0

Net Present Value by Product Type (Canada)

	Primary Product Type				Total (MUSD)
	Light & Medium Crude Oil (MUSD)	Heavy Crude Oil (MUSD)	Conventional Natural Gas (MUSD)	Natural Gas Liquids (MUSD)	
IPC Canada					
Future Net Revenue BTAX at 10% Discount					
Total Proved (1P) Reserves	-	236.6	278.5	-	515.0
Total Proved and Probable (2P) Reserves	-	340.6	347.6	-	688.2
Total Proved and Probable and Possible (3P) Reserves	-	429.3	391.1	-	820.4

	Primary Product Type				Total (USD/net boe)
	Light & Medium Crude Oil (USD/bbl)	Heavy Crude Oil (USD/bbl)	Conventional Natural Gas (USD/Mscf)	Natural Gas Liquids (USD/bbl)	
IPC Canada					
USD per net boe by product type					
Total Proved (1P) Reserves	-	13.20	0.83	-	6.91
Total Proved and Probable (2P) Reserves	-	13.27	0.84	-	7.24
Total Proved and Probable and Possible (3P) Reserves	-	13.43	0.84	-	7.42

Notes

- (1) Light, Medium, and Heavy Oil Future Net Revenue and Unit Value include associated gas
(2) Conventional natural Gas revenue and unit Value include associated condensate (light oil)

Forecast Prices used in Estimates (Canada)

See "IPC's Oil and Gas Assets in France, Malaysia and the Netherlands – Forecast Prices used in Estimates".

The same forecast prices are used with respect to Canada.

Reconciliation of Changes in Reserves (Canada)

Reconciliation of Proved Reserves Mmboe	Heavy Oil	Convent- ional Natural Gas	Natural Gas Liquids	Oil Equivalent
Opening Balance December 31, 2016	-	-	-	-
extensions and improved recovery				+ 0.0
technical revisions				+ 0.0
discoveries				+ 0.0
acquisitions	+ 18.9	+ 59.6	+ 0.0	+ 78.6
dispositions				+ 0.0
economic factors				+ 0.0
production				+ 0.0
Closing Balance December 31, 2017	18.9	59.6	0.0	78.6

Reconciliation of Proved + Probable Reserves Mmboe	Heavy Oil	Convent- ional Natural Gas	Natural Gas Liquids	Oil Equivalent
Opening Balance December 31, 2016	-	-	-	-
extensions and improved recovery				+ 0.0
technical revisions				+ 0.0
discoveries				+ 0.0
acquisitions	+ 27.3	+ 73.2	+ 0.1	+ 100.6
dispositions				+ 0.0
economic factors				+ 0.0
production				+ 0.0
Closing Balance December 31, 2017	27.3	73.2	0.1	100.6

Reconciliation of Proved + Probable + Possible Reserves Mmboe	Heavy Oil	Convent- ional Natural Gas	Natural Gas Liquids	Oil Equivalent
Opening Balance December 31, 2016	-	-	-	-
extensions and improved recovery				+ 0.0
technical revisions				+ 0.0
discoveries				+ 0.0
acquisitions	+ 34.5	+ 83.0	+ 0.1	+ 117.6
dispositions				+ 0.0
economic factors				+ 0.0
production				+ 0.0
Closing Balance December 31, 2017	34.5	83.0	0.1	117.6

Undeveloped Reserves (Canada)

	Light & Medium Crude Oil (MMbbl)	Heavy Crude Oil (MMbbl)	Conventional Natural Gas (Bscf)	Natural Gas Liquids (MMboe)	Oil Equivalent (MMboe)
Proved Undeveloped					
December 31, 2015	-	-	-	-	-
December 31, 2016	-	-	-	-	-
December 31, 2017	-	5.4	0.6	0.0	6.2
Probable Undeveloped					
December 31, 2015	-	-	-	-	-
December 31, 2016	-	-	-	-	-
December 31, 2017	-	9.6	1.1	0.0	9.8

Development Projects (Canada)

Canada - Oil Drilling and EOR	Light & Medium Crude Oil Reserves MMbbl gross	Heavy Crude Oil Reserves MMbbl gross	Conventional Natural Gas Reserves Bscf Gross	Future Project Development Capital MUSD			USD per boe	Net Present Value, MUSD Before Deducting Income Tax, Discounted at:						Net Present Value, MUSD After Deducting Income Tax, Discounted at:						BTAX NPV/10 per boe USD per boe	ATAX NPV/10 per boe USD per boe
				2018	2019	Total		0%	5%	8%	10%	15%	20%	0%	5%	8%	10%	15%	20%		
Proved Undeveloped (PUDI)	-	5.4	0.6	4.1	16.4	43.1	7.8	142	70	49	39	23	13	117	58	37	29	15	7	7.03	5.21
Proved and Probable Undeveloped (PPUDI)	-	9.8	1.1	4.1	22.8	65.6	6.7	296	143	101	82	51	33	245	111	75	60	35	21	8.37	6.08
Proved plus Probable plus Possible Undeveloped (PPPUDI)	-	12.3	1.4	4.1	22.8	65.6	5.2	436	205	145	118	75	50	344	154	106	85	22	33	9.39	6.78

Development plans in Canada include development drilling in the glauconitic oil pools, expansion of alkaline-surfactant-polymer enhanced oil recovery to the glauconitic wash-over N2N pool, and optimization of the existing gas well stock.

The glauconitic development drilling consists of a combination of infill and step-out drilling of horizontal producers. The wells are generally 1000 metres dual leg horizontal producers although the length varies according to the reservoir and in cases single leg and triple leg producers are also considered. The wells are pumped with progressive cavity pumps and reservoir pressure is supported by natural bottom water drive supplemented by produced water re-injection.

Enhanced oil recovery expansion to the N2N pool entails commissioning already installed facilities, drilling producer and injector horizontal wells, and proceeding with injecting an alkaline-surfactant-polymer mix into the reservoir to mobilize oil that would not be recoverable with water-flooding alone. This method has been applied in the nearby and geologically analogous UU and YYY pools with positive reservoir response.

Optimization of existing well stock covers a range of activities including pulling of siphon strings, adding new completion intervals, and re-fracturing existing completions.

Significant Factors or Uncertainties Affecting Reserves Data (Canada)

In Canada, the main uncertainties relate to performance of future infill wells and the effectiveness of the alkaline-surfactant-polymer injection in mobilizing bypassed oil. These uncertainties are captured in the 1P to 3P range of estimates. Other uncertainties include weather related downtime and facility performance and effectiveness of gas optimization investments. The abandonment and reclamation liability beyond what has been considered in the reserve assessment is not material to the Canadian asset valuation. This asset does not have high expected development or operating cost, or contractual obligations that would impair the Group's realized prices.

See also "Reserves and Resource Advisory".

Future Development Costs (Canada)

	2018	2019	2020	2021	2022	2023 on	Total for all years undiscounted	Total for all years discounted at 10% p.a.
Total Proved								
Canada	6.8	29.7	33.1	16.5	3.2	49.3	138.5	86.4
Total Proved Plus Probable								
Canada	6.8	36.0	39.0	18.2	14.8	69.3	184.3	116.7

Working Interest Contingent Resources	Light Crude Oil & Medium Crude Oil Mbbl			Heavy Crude Oil Mbbl			Conventional Natural Gas MMscf			Total Oil Equivalent Mboe		
	1C	2C	3C	1C	2C	3C	1C	2C	3C	1C	2C	3C
Canada - Unrisked	-	-	-	5'462	7'373	9'954	185'395	231'732	289'665	36'360	45'995	58'232
Canada - risked	-	-	-	3'341	4'510	6'088	120'627	150'784	188'481	23'446	29'641	37'502

Expectations of Sources and Costs of Funding (Canada)

See "IPC's Oil and Gas Assets in France, Malaysia and the Netherlands – Expectations of Sources and Costs of Funding" above. The same disclosure applies with respect to Canada.

Producing and Non-Producing Well Counts (Canada)

	Oil				Gas			
	Producing		Non-Producing		Producing		Non-Producing	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Canada	550.0	550.0	393.0	393.0	10'252.0	10'226.8	527.0	527.0

Properties with No Attributed Reserves (Canada)

Country	Property	Operator	Working Interest	Location	Gross Area (ha)	Net Area (ha)	Nature of Outstanding Commitment	Detail of Work Commitment	Outstanding Work Commitments			End of Commitment Period
									Gross Amount (MUSD)	Amount Planned in 2018 (MUSD) Towards Commitments	Amount Planned after 2018 (MUSD) Towards Commitments	
Canada	Suffield	IPC	100%	Onshore	3424	3424	expiry	Mannville	-	-	-	17 May 18
	Suffield	IPC	100%	Onshore	832	832	expiry	Bow Island and Mannville	-	-	-	3 Oct 18
	Suffield	IPC	100%	Onshore	64	64	expiry	Bow Island and Mannville	-	-	-	18 Dec 18
	Suffield	IPC	100%	Onshore	64	64	expiry	Bow Island and Mannville	-	-	-	4 Sep 19

Tax Horizon (Canada)

IPC expects to pay current taxes in Canada commencing in 2019 in respect of 2018 income.

Production Forecast Estimates (Canada)

	Light & Medium Crude Oil (Mbb/d)	Heavy Crude Oil (Mbb/d)	Conventional Natural Gas (Mboe/d)	Natural Gas Liquids (Mboe/d)	Total (Mboe/d)
Total Proved (1P) Scenario					
Canada	-	6.12	16.10	-	22.22
Total Proved plus Probable (2P) Scenario					
Canada	-	6.32	16.27	-	22.59
Total Proved plus Probable plus Possible (3P) Scenario					
Canada	-	6.41	16.38	-	22.79

Contingent Resources (Canada)

Working Interest Contingent Resources	Project Type	Technology	Economic Sub Class	Project Maturity	Project Evaluation	Working Interest							
Canada													
Washover Pools													
P3P Pool	ASP	Established	Sub-Economic	Development Unclassified	Conceptual	100%							
D2D Pool	ASP	Established	Sub-Economic	Development Unclassified	Conceptual	100%							
M3M Pool	WF+ASP	Established	Sub-Economic	Development Unclassified	Conceptual	100%							
F3F Pool	WF+ASP	Established	Sub-Economic	Development Unclassified	Conceptual	100%							
O3O Pool	WF+ASP	Established	Sub-Economic	Development Unclassified	Conceptual	100%							
Oil Development Drilling (117)													
Glauconic	Development Drilling (76)	Established	Economic	Development Unclassified	Conceptual	100%							
Glauconic	Development Drilling (41)	Established	Sub-Economic	Development Unclassified	Conceptual	100%							
Gas Development Drilling (2,540)													
Alderson	Development Drilling (470)	Established	Economic	Development Unclassified	Conceptual	100%							
Suffield	Development Drilling (1,061)	Established	Economic	Development Unclassified	Conceptual	100%							
Suffield	Development Drilling (1,009)	Established	Sub-Economic	Development Unclassified	Conceptual	100%							
Working Interest Contingent Resources	Light Crude Oil & Medium Crude Oil (Mbb)			Heavy Crude Oil (Mbb)			Conventional Natural Gas (MMscf)			Total Oil Equivalent (Mboe)			Chance of Development
	1C	2C	3C	1C	2C	3C	1C	2C	3C	1C	2C	3C	
Canada													
Washover Pools													
P3P Pool	-	-	-	498	672	908	-	-	-	498	672	908	50%
D2D Pool	-	-	-	372	502	678	-	-	-	372	502	678	50%
M3M Pool	-	-	-	351	474	639	-	-	-	351	474	639	50%
F3F Pool	-	-	-	131	176	236	-	-	-	131	176	236	50%
O3O Pool	-	-	-	191	258	349	-	-	-	191	258	349	50%
Subtotal Washover Pools	-	-	-	1543	2083	2812	-	-	-	1'543	2'083	2'812	
Oil Development Drilling (117)													
Glauconic	-	-	-	3052	4'120	5562	-	-	-	3'052	4'120	5'562	70%
Glauconic	-	-	-	867	1'170	1580	-	-	-	867	1'170	1'580	50%
Subtotal Oil Drilling	-	-	-	3919	5'290	7'142	-	-	-	3'919	5'290	7'142	
Gas Development Drilling (2,540)													
Alderson	-	-	-	-	-	-	36'284	45'355	56'694	6'047	7'559	9'449	70%
Suffield	-	-	-	-	-	-	103'389	129'237	161'546	17'232	21'540	26'924	70%
Suffield	-	-	-	-	-	-	45'712	57'140	71'425	7'619	9'523	11'904	50%
Subtotal Gas Drilling	-	-	-	-	-	-	185'385	231'732	289'665	30'898	38'622	48'278	
Canada Total Unrisked	-	-	-	5'462	7'373	9'954	185'385	231'732	289'665	36'360	45'995	58'231	

IPC has a 100% working interest in all of the contingent resources tabulated above. The oil contingent resources relate to heavy oil, and the gas contingent resources relate to conventional natural gas.

The contingent resources reported for Canada are consolidated into three project categories: shallow gas development drilling, oil development drilling and ASP expansion. In all cases the recovery of the resources would be via established technology, are based upon conceptual development plans, are classed in either sub-economic or economic category as discussed below, and in terms of project maturity are considered in all cases as having development unclassified status.

The shallow gas drilling project is estimated to require an estimated CAD 350 to 450 million with the main contingencies being natural gas prices, refinement of project definition, and approval of the project concept. Timing of first commercial production, should the project proceed, is expected to be in the 2019 to 2025 horizon. It is likely that the project would be approved and implemented in a number of stages. The project is primarily drilling and completion scope with minimal infrastructure investment required. Positive factors include opportunity to reduce capital requirements and to improve per well production performance relative to forecast. Negative factors include natural gas price risk as well as geologic and well completion risk. The total contingent resource attributed to shallow gas drilling is 38.6 MMboe with 9.5 MMboe considered sub-economic and 29.1 MMboe considered economic. The conventional natural gas contingent resources require a definitive development plan and approval of the plan to mature from contingent resources to reserves. Implicit in project approval is the demonstration of economic development scheme to recover the resources.

The oil development drilling is estimated by to require CAD 75 to 100 million of capital largely consisting of drilling and completion scope with minor facility and infrastructure investments. The main contingencies relate to refinement of project definition and approval of the development concept. Timing of first commercial production, should the project proceed, is expected to be in the 2019 to 2025 horizon. It is likely that the project would be approved and implemented in a number of stages. Positive factors include opportunity to reduce capital requirements and to improve per well production performance relative to forecast. Negative factors include crude oil price risk as well as geologic and reservoir performance risk. The total contingent resources attributed to oil drilling is 5.3 MMboe of which 4.1 MMboe is in economic category and 1.2 MMboe is in sub-economic category. The heavy oil development drilling contingent resources require a definitive development plan and approval of the plan to mature from contingent resources to reserves. Implicit in project approval is the demonstration of economic development scheme to recover the resources.

The ASP expansion and water-flood optimization projects are conceptually defined. The estimated capital to execute this project is CAD 40 to 80 million which is a combination of facility and pipeline expansion and drilling of injectors and producers. Timing of first commercial production, should the project proceed is expected to be in the 2022 to 2027 horizon. It is likely that the project would be approved and implemented in a number of stages. Positive factors include opportunity to reduce capital and operating cost requirements and to improve oil recovery efficiency relative to forecast. Negative factors include oil price risk, operating cost risk, geologic risk, and reservoir performance risk. The total contingent resource attributed to ASP expansion and water-flood optimization projects is 2.1 MMboe and is classed in sub-economic category. These enhanced oil recovery contingent resources require a definitive development plan and approval of the plan to mature from contingent resources to reserves. Implicit in project approval is the demonstration of economic development scheme to recover the resources.

Aggregation of IPC's Oil and Gas Assets in Canada, France, Malaysia and the Netherlands

Oil and Gas Reserves – Based on Forecast Prices and Costs

Proved Reserves (Aggregated)

		France	Netherlands	Malaysia	IPC International	Canada	Total IPC
Proved Developed Producing (PDP) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	6.40	0.02	3.24	9.66	-	9.66
	net	5.61	0.02	2.79	8.42	-	8.42
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	13.12	13.12
	net	-	-	-	-	12.59	12.59
Conventional Natural Gas (Bscf)	gross	-	5.21	-	5.21	331.16	336.37
	net	-	5.21	-	5.21	313.88	319.09
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.03	0.03
	net	-	-	-	-	0.02	0.02
Total Oil Equivalent (MMboe)	gross	6.40	0.89	3.24	10.53	68.34	78.86
	net	5.61	0.89	2.79	9.28	64.92	74.21
Proved Developed Non Producing (PDNP) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	0.19	0.00	-	0.19	-	0.19
	net	0.16	0.00	-	0.16	-	0.16
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	0.32	0.32
	net	-	-	-	-	0.27	0.27
Conventional Natural Gas (Bscf)	gross	-	0.57	-	0.57	26.06	26.63
	net	-	0.57	-	0.57	24.75	25.33
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.00	0.00
	net	-	-	-	-	0.00	0.00
Total Oil Equivalent (MMboe)	gross	0.19	0.10	-	0.29	4.66	4.95
	net	0.16	0.10	-	0.26	4.40	4.66
Proved Undeveloped (PUD) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	2.23	0.00	0.66	2.90	-	2.90
	net	1.91	0.00	0.57	2.48	-	2.48
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	5.44	5.44
	net	-	-	-	-	5.06	5.06
Conventional Natural Gas (Bscf)	gross	-	0.05	-	0.05	0.62	0.67
	net	-	0.05	-	0.05	0.59	0.64
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.01	0.01
	net	-	-	-	-	0.01	0.01
Total Oil Equivalent (MMboe)	gross	2.23	0.01	0.66	2.90	5.56	8.46
	net	1.91	0.01	0.57	2.49	5.17	7.66
Total Proved (1P) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	8.82	0.02	3.91	12.75	-	12.75
	net	7.68	0.02	3.36	11.06	-	11.06
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	18.88	18.88
	net	-	-	-	-	17.93	17.93
Conventional Natural Gas (Bscf)	gross	-	5.83	-	5.83	357.84	363.67
	net	-	5.83	-	5.83	339.22	345.05
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.03	0.03
	net	-	-	-	-	0.02	0.02
Total Oil Equivalent (MMboe)	gross	8.82	0.99	3.91	13.72	78.56	92.28
	net	7.68	0.99	3.36	12.03	74.49	86.52

Proved plus Probable Reserves (Aggregated)

		France	Netherlands	Malaysia	Sub Total IPC International	Canada	Total IPC
Proved plus Probable Developed Producing (2PDP) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	13.15	0.03	7.65	20.83	-	20.83
	net	11.60	0.03	6.55	18.19	-	18.19
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	17.39	17.39
	net	-	-	-	-	16.53	16.53
Conventional Natural Gas (Bscf)	gross	-	9.55	-	9.55	379.35	388.90
	net	-	9.55	-	9.55	359.55	369.09
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.03	0.03
	net	-	-	-	-	0.02	0.02
Total Oil Equivalent (MMboe)	gross	13.15	1.62	7.65	22.42	80.64	103.06
	net	11.60	1.62	6.55	19.78	76.48	96.26
Proved plus Probable Developed Non Producing (2PDNP) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	0.52	0.00	-	0.52	-	0.52
	net	0.44	0.00	-	0.45	-	0.45
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	0.33	0.33
	net	-	-	-	-	0.28	0.28
Conventional Natural Gas (Bscf)	gross	-	1.21	-	1.21	58.66	59.87
	net	-	1.21	-	1.21	55.15	56.36
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.06	0.06
	net	-	-	-	-	0.04	0.04
Total Oil Equivalent (MMboe)	gross	0.52	0.20	-	0.72	10.16	10.89
	net	0.44	0.20	-	0.65	9.51	10.16
Proved plus Probable Undeveloped (2PUD) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	3.94	0.00	1.41	5.35	-	5.35
	net	3.38	0.00	1.22	4.60	-	4.60
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	9.61	9.61
	net	-	-	-	-	8.84	8.84
Conventional Natural Gas (Bscf)	gross	-	0.06	-	0.06	1.12	1.18
	net	-	0.06	-	0.06	1.06	1.12
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.01	0.01
	net	-	-	-	-	0.01	0.01
Total Oil Equivalent (MMboe)	gross	3.94	0.01	1.41	5.36	9.81	15.18
	net	3.38	0.01	1.22	4.61	9.03	13.64
Total Probable (PB) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	8.79	0.02	5.15	13.96	-	13.96
	net	7.75	0.02	4.41	12.17	-	12.17
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	8.44	8.44
	net	-	-	-	-	7.73	7.73
Conventional Natural Gas (Bscf)	gross	-	4.99	-	4.99	81.28	86.27
	net	-	4.99	-	4.99	76.53	81.52
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.07	0.07
	net	-	-	-	-	0.05	0.05
Total Oil Equivalent (MMboe)	gross	8.79	0.85	5.15	14.79	22.06	36.85
	net	7.75	0.85	4.41	13.01	20.53	33.54
Total Proved plus Probable (2P) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	17.61	0.04	9.06	26.70	-	26.70
	net	15.43	0.04	7.77	23.24	-	23.24
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	27.33	27.33
	net	-	-	-	-	25.66	25.66
Conventional Natural Gas (Bscf)	gross	-	10.82	-	10.82	439.13	449.95
	net	-	10.82	-	10.82	415.75	426.57
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.10	0.10
	net	-	-	-	-	0.07	0.07
Total Oil Equivalent (MMboe)	gross	17.61	1.84	9.06	28.51	100.62	129.12
	net	15.43	1.84	7.77	25.04	95.02	120.06

Proved plus Probable plus Possible Reserves (Aggregated)

		France	Netherlands	Malaysia	Sub Total IPC International	Canada	Total IPC
Proved plus Probable plus Possible Developed Producing (3PDP) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	20.56	0.05	9.78	30.39	-	30.39
	net	18.19	0.05	8.38	26.62	-	26.62
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	21.67	21.67
	net	-	-	-	-	20.45	20.45
Conventional Natural Gas (Bscf)	gross	-	15.87	-	15.87	427.11	442.98
	net	-	15.87	-	15.87	404.79	420.67
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.04	0.04
	net	-	-	-	-	0.03	0.03
Total Oil Equivalent (MMboe)	gross	20.56	2.70	9.78	33.04	92.90	125.94
	net	18.19	2.70	8.38	29.26	87.95	117.21
Proved plus Probable plus Possible Developed Non Producing (3PDNP) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	0.59	0.00	-	0.60	-	0.60
	net	0.51	0.00	-	0.52	-	0.52
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	0.52	0.52
	net	-	-	-	-	0.42	0.42
Conventional Natural Gas (Bscf)	gross	-	1.88	-	1.88	69.29	71.17
	net	-	1.88	-	1.88	65.25	67.12
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.06	0.06
	net	-	-	-	-	0.04	0.04
Total Oil Equivalent (MMboe)	gross	0.59	0.32	-	0.91	12.12	13.03
	net	0.51	0.32	-	0.83	11.33	12.16
Proved plus Probable plus Possible Undeveloped (3PUD) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	4.74	0.00	1.99	6.73	-	6.73
	net	4.05	0.00	1.67	5.72	-	5.72
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	12.31	12.31
	net	-	-	-	-	11.09	11.09
Conventional Natural Gas (Bscf)	gross	-	0.12	-	0.12	1.42	1.55
	net	-	0.12	-	0.12	1.34	1.46
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.02	0.02
	net	-	-	-	-	0.02	0.02
Total Oil Equivalent (MMboe)	gross	4.74	0.02	1.99	6.75	12.56	19.32
	net	4.05	0.02	1.67	5.74	11.33	17.07
Total Possible (PS) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	8.29	0.02	2.71	11.02	-	11.02
	net	7.32	0.02	2.28	9.62	-	9.62
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	7.17	7.17
	net	-	-	-	-	6.30	6.30
Conventional Natural Gas (Bscf)	gross	-	7.05	-	7.05	58.70	65.75
	net	-	7.05	-	7.05	55.63	62.68
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.01	0.01
	net	-	-	-	-	0.01	0.01
Total Oil Equivalent (MMboe)	gross	8.29	1.20	2.71	12.20 [*]	16.96	29.16
	net	7.32	1.20	2.28	10.79 [*]	15.58	26.38
Total Proved plus Probable plus Possible (3P) Reserves							
Light & Medium Crude Oil (MMbbl)	gross	25.89	0.06	11.77	37.72	-	37.72
	net	22.75	0.06	10.04	32.85	-	32.85
Heavy Crude Oil (MMbbl)	gross	-	-	-	-	34.49	34.49
	net	-	-	-	-	31.96	31.96
Conventional Natural Gas (Bscf)	gross	-	17.87	-	17.87	497.82	515.69
	net	-	17.87	-	17.87	471.38	489.25
Natural Gas Liquids (MMbbl)	gross	-	-	-	-	0.12	0.12
	net	-	-	-	-	0.08	0.08
Total Oil Equivalent (MMboe)	gross	25.89	3.04	11.77	40.70	117.58	158.28
	net	22.75	3.04	10.04	35.83	110.60	146.44

Net Present Value of Future Net Revenue – Proved Reserves (Aggregated)

Values in MUSD	Before Deducting Income Tax, Discounted at:						After Deducting Income Tax, Discounted at:						USD / net BOE
	0%	5%	8%	10%	15%	20%	0%	5%	8%	10%	15%	20%	BTAX NPV10
Proved Developed Producing (PDP) Reserves													
France	93.2	91.7	86.6	82.7	72.8	63.9	60.2	68.5	67.4	65.6	59.7	53.7	14.74
Netherlands	-23.7	-10.2	-5.3	-2.8	1.3	3.7	-23.7	-10.2	-5.3	-2.8	1.3	3.7	-3.21
Malaysia	120.7	114.9	111.7	109.7	105.1	100.9	120.7	114.9	111.7	109.7	105.1	100.9	39.33
Subtotal IPC International	190.1	196.4	193.0	189.5	179.1	168.5	157.2	173.3	173.8	172.5	166.1	158.3	20.42
Canada	534.7	519.6	480.9	454.1	393.0	343.2	419.3	427.9	399.9	379.1	330.0	289.1	6.99
Grand Total IPC	724.8	716.0	673.9	643.7	572.1	511.7	576.5	601.2	573.7	551.6	496.0	447.4	8.67
Proved Developed Non Producing (PDNP) Reserves													
France	1.7	0.9	0.6	0.4	0.1	-0.1	1.3	0.7	0.4	0.3	0.0	-0.1	2.67
Netherlands	0.7	1.6	1.8	1.9	1.9	1.8	0.7	1.6	1.8	1.9	1.9	1.8	19.22
Malaysia	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal IPC International	2.4	2.5	2.4	2.3	2.0	1.7	2.0	2.3	2.2	2.2	1.9	1.6	8.84
Canada	45.8	31.5	25.4	22.1	15.6	11.0	34.3	22.7	17.8	15.2	10.1	6.6	5.02
Grand Total IPC	48.2	34.0	27.8	24.4	17.6	12.6	36.3	24.9	20.0	17.3	12.0	8.2	5.24
Proved Undeveloped (PUD) Reserves													
France	66.1	33.8	22.2	16.5	6.7	1.0	48.8	24.6	15.8	11.4	3.8	-0.7	8.61
Netherlands	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	30.09
Malaysia	32.3	30.3	29.2	28.6	27.0	25.6	32.3	30.3	29.2	28.6	27.0	25.6	50.18
Subtotal IPC International	98.6	64.3	51.7	45.3	33.9	26.8	81.3	55.2	45.3	40.2	31.0	25.1	18.18
Canada	136.4	69.4	48.6	38.8	22.6	13.0	117.0	55.8	37.4	28.9	15.2	7.2	7.51
Grand Total IPC	235.1	133.8	100.3	84.1	56.5	39.8	198.3	111.0	82.7	69.1	46.2	32.4	10.98
Total Proved (1P) Reserves													
France	161.0	126.4	109.4	99.6	79.6	64.8	110.3	93.8	83.6	77.3	63.5	52.8	12.96
Netherlands	-22.8	-8.3	-3.2	-0.7	3.4	5.7	-22.8	-8.3	-3.2	-0.7	3.4	5.7	-0.75
Malaysia	153.0	145.2	140.9	138.3	132.1	126.5	153.0	145.2	140.9	138.3	132.1	126.5	41.16
Subtotal IPC International	291.2	263.3	247.1	237.1	215.1	197.0	240.5	230.7	221.3	214.8	199.0	185.0	19.70
Canada	717.0	620.5	554.9	515.0	431.2	367.1	570.6	506.4	455.1	423.2	355.2	302.9	6.91
Grand Total IPC	1'008.1	883.7	802.0	752.1	646.3	564.2	811.1	737.1	676.4	638.0	554.3	487.9	8.69

Net Present Value of Future Net Revenue – Proved plus Probable Reserves (Aggregated)

Values in MUSD	Before Deducting Income Tax, Discounted at:						After Deducting Income Tax, Discounted at:						USD / net BOE
	0%	5%	8%	10%	15%	20%	0%	5%	8%	10%	15%	20%	BTAX NPV10
Proved plus Probable Developed Producing (2PDP) Reserves													
France	333.3	235.6	194.9	173.7	135.4	110.4	230.9	177.8	150.4	135.5	107.7	89.1	14.97
Netherlands	-6.1	8.6	12.6	14.3	16.5	17.0	-7.5	7.3	11.4	12.4	15.3	15.9	8.81
Malaysia	305.9	274.1	258.0	248.3	227.1	209.4	305.9	274.1	258.0	248.3	227.1	209.4	37.90
Subtotal IPC International	633.1	518.3	465.5	436.4	379.0	336.9	529.4	459.1	419.7	396.2	350.1	314.5	22.06
Canada	761.3	664.6	593.7	550.9	461.9	395.0	602.3	542.8	487.9	453.9	382.2	327.9	7.20
Grand Total IPC	1'394.4	1'182.9	1'059.3	987.2	840.8	731.9	1'131.7	1'002.0	907.7	850.1	732.3	642.4	10.26
Proved plus Probable Developed Non Producing (2PDNP) Reserves													
France	4.0	4.1	3.1	2.5	1.5	0.9	2.4	3.2	2.5	2.0	1.1	0.6	5.74
Netherlands	3.3	4.2	4.2	4.0	3.5	3.0	2.5	3.5	3.5	3.4	2.9	2.5	19.62
Malaysia	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal IPC International	7.2	8.3	7.3	6.6	5.0	3.9	4.9	6.8	6.0	5.4	4.0	3.1	10.13
Canada	115.1	78.7	63.5	55.3	39.6	28.7	84.9	56.6	44.9	38.7	26.8	18.8	5.81
Grand Total IPC	122.4	87.1	70.8	61.8	44.6	32.6	89.8	63.4	50.9	44.1	30.9	21.8	6.09
Proved plus Probable Undeveloped (2PUD) Reserves													
France	137.4	82.6	62.1	51.7	33.2	21.3	101.0	60.2	44.6	36.7	22.5	13.3	15.29
Netherlands	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.8	0.1	0.1	19.70
Malaysia	85.5	76.9	72.6	70.0	64.3	59.5	85.5	76.9	72.6	70.0	64.3	59.5	57.58
Subtotal IPC International	223.2	159.7	134.9	121.9	97.7	81.0	186.6	137.3	117.3	107.4	86.8	72.9	26.45
Canada	295.7	143.4	101.2	82.1	51.1	33.1	245.2	110.7	75.3	59.6	34.8	20.8	9.09
Grand Total IPC	518.9	303.1	236.1	204.0	148.8	114.1	431.9	248.0	192.6	167.0	121.6	93.7	14.95
Total Probable (PB) Reserves													
France	313.7	195.9	150.8	128.5	90.5	67.8	224.0	147.3	113.8	96.9	67.7	50.3	16.58
Netherlands	20.2	21.4	20.2	19.3	16.8	14.5	18.0	19.3	18.2	17.3	14.9	12.8	22.72
Malaysia	238.5	205.8	189.7	180.0	159.3	142.4	238.5	205.8	189.7	180.0	159.3	142.4	40.84
Subtotal IPC International	572.4	423.1	360.7	327.8	266.6	224.7	480.4	372.4	321.7	294.2	241.9	205.4	25.20
Canada	455.1	266.2	203.5	173.2	121.4	89.8	361.9	203.8	153.1	129.0	88.6	64.6	8.43
Grand Total IPC	1'027.5	689.3	564.2	500.9	387.9	314.4	842.3	576.2	474.8	423.2	330.6	270.0	14.94
Total Proved plus Probable (2P) Reserves													
France	474.7	322.3	260.1	228.0	170.1	132.6	334.3	241.2	197.4	174.1	131.3	103.1	14.78
Netherlands	-2.6	13.0	17.0	18.5	20.2	20.2	-4.8	11.0	15.0	16.6	18.3	18.5	10.08
Malaysia	391.4	351.0	330.6	318.3	291.4	268.9	391.4	351.0	330.6	318.3	291.4	268.9	40.98
Subtotal IPC International	863.5	686.4	607.8	564.9	481.6	421.7	720.9	603.1	543.0	509.0	441.0	390.5	22.56
Canada	1'172.1	886.7	758.4	688.2	552.5	456.9	932.4	710.2	608.2	552.2	443.9	367.4	7.24
Grand Total IPC	2'035.6	1'573.1	1'366.2	1'253.1	1'034.2	878.6	1'653.4	1'313.3	1'151.2	1'061.2	884.8	757.9	10.44

Net Present Value of Future Net Revenue – Proved plus Probable plus Possible Reserves (Aggregated)

Values in MU\$D	Before Deducting Income Tax, Discounted at:						After Deducting Income Tax, Discounted at:						USD/ net BOE
	0%	5%	8%	10%	15%	20%	0%	5%	8%	10%	15%	20%	BTAX NPV10
Proved plus Probable plus Possible Developed Producing (3PDP) Reserves													
France	818.8	432.2	323.8	275.5	199.5	156.4	584.6	324.1	246.3	211.1	155.1	123.1	15.15
Netherlands	32.0	35.0	34.7	34.0	31.8	29.3	22.3	27.4	27.9	27.8	26.2	24.4	12.61
Malaysia	440.3	386.1	359.4	343.5	309.4	281.6	440.3	386.1	359.4	343.5	309.4	281.6	41.01
Subtotal IPC International	1'291.1	853.3	717.9	653.1	540.7	467.3	1'047.3	737.6	633.6	582.5	490.8	429.1	22.32
Canada	1'013.9	791.6	658.4	626.6	512.6	431.6	811.9	642.8	558.5	511.6	420.1	354.9	7.13
Grand Total IPC	2'305.0	1'644.9	1'376.2	1'279.7	1'053.3	899.0	1'859.1	1'380.4	1'192.1	1'094.1	910.9	784.0	10.92
Proved plus Probable plus Possible Developed Non Producing (3PDNP) Reserves													
France	16.7	7.1	4.8	3.9	2.4	1.6	12.4	5.3	3.5	2.8	1.7	1.1	7.51
Netherlands	8.1	7.3	6.4	5.9	4.6	3.7	6.8	6.1	5.3	4.8	3.7	2.9	18.55
Malaysia	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal IPC International	24.8	14.5	11.3	9.7	7.0	5.3	19.1	11.3	8.8	7.6	5.4	4.0	11.72
Canada	156.2	107.7	87.1	75.9	54.7	40.0	114.1	77.5	62.0	53.7	37.8	27.0	6.70
Grand Total IPC	181.0	122.1	98.4	85.7	61.7	45.3	133.2	88.8	70.9	61.3	43.2	31.0	7.05
Proved plus Probable plus Possible Undeveloped (3PUD) Reserves													
France	191.7	115.2	87.3	73.3	48.8	33.4	140.7	83.4	62.3	51.7	33.1	21.4	18.09
Netherlands	0.7	0.7	0.6	0.6	0.6	0.6	0.5	0.4	0.4	0.3	0.4	0.4	30.40
Malaysia	117.8	104.9	98.4	94.6	86.2	79.3	96.6	87.3	82.6	79.8	73.7	68.5	56.79
Subtotal IPC International	310.1	220.8	186.4	168.6	135.6	113.3	237.7	171.1	145.4	131.8	107.1	90.3	29.37
Canada	435.9	205.0	144.8	117.9	74.9	50.2	344.0	154.3	106.2	85.1	51.9	33.1	10.40
Grand Total IPC	746.0	425.8	331.2	286.4	210.5	163.5	581.7	325.5	251.6	216.9	159.0	123.4	16.78
Total Possible (PS) Reserves													
France	552.5	232.2	155.8	124.7	80.6	58.8	403.4	171.5	114.7	91.5	58.6	42.5	17.03
Netherlands	43.4	30.0	24.8	22.0	16.9	13.4	34.4	23.0	18.6	16.3	12.0	9.2	18.37
Malaysia	166.6	140.0	127.2	119.8	104.2	92.0	145.4	122.4	111.5	105.1	91.7	81.2	52.67
Subtotal IPC International	762.5	402.2	307.8	266.5	201.7	164.2	583.2	316.9	244.8	212.9	162.3	132.9	24.69
Canada	433.8	217.6	158.8	132.2	89.6	65.0	337.5	164.5	118.6	98.2	65.9	47.6	8.49
Grand Total IPC	1'196.3	619.8	466.5	398.8	291.3	229.2	920.7	481.4	363.3	311.1	228.3	180.5	15.12
Total Proved plus Probable plus Possible (3P) Reserves													
France	1'027.1	554.5	415.9	352.7	250.7	191.4	737.7	412.7	312.2	265.7	189.9	145.6	15.50
Netherlands	40.8	43.0	41.8	40.6	37.0	33.6	29.6	33.9	33.6	32.9	30.3	27.6	13.35
Malaysia	558.0	491.0	457.8	438.1	395.6	360.9	536.8	473.4	442.1	423.4	383.1	350.1	43.63
Subtotal IPC International	1'626.0	1'088.5	915.5	831.4	683.4	585.9	1'304.1	920.1	787.8	721.9	603.3	523.3	23.20
Canada	1'605.9	1'104.3	917.2	820.4	642.2	521.9	1'270.0	874.6	726.7	650.4	509.8	415.0	7.42
Grand Total IPC	3'232.0	2'192.8	1'832.7	1'651.8	1'325.5	1'107.8	2'574.1	1'794.7	1'514.5	1'372.2	1'113.1	938.4	11.28

Elements of Future Net Revenue (Aggregated)

Total Proved (1P) Reserves MUSD	Revenue	Royalties	Operating Costs	Development Costs	Abandonment Costs	Future Net Revenue Before		Future Net Revenue After Income Taxes
						Income Taxes	Income Taxes	
France	693.8	86.1	335.3	32.4	78.9	161.0	50.7	110.3
Netherlands	48.5	-	27.9	0.9	42.4	-22.8	-	-22.8
Malaysia	449.5	26.9	236.2	8.9	24.5	153.0	-	153.0
Subtotal IPC International	1'191.8	113.1	599.5	42.2	145.8	291.2	50.7	240.5
Canada	2'015.9	92.9	735.5	138.5	332.1	717.0	146.4	570.6
Grand Total IPC	3'207.7	206.0	1'335.0	180.8	477.9	1'008.1	197.1	811.1

Total Proved and Probable (2P) Reserves MUSD	Revenue	Royalties	Operating Costs	Development Costs	Abandonment Costs	Future Net Revenue Before		Future Net Revenue After Income Taxes
						Income Taxes	Income Taxes	
France	1'560.1	181.6	743.1	51.4	109.4	474.7	140.4	334.3
Netherlands	88.9	-	44.7	0.9	45.8	-2.6	2.2	-4.8
Malaysia	875.8	66.2	381.3	8.9	27.9	391.4	-	391.4
Subtotal IPC International	2'524.8	247.8	1'169.1	61.2	183.1	863.5	142.6	720.9
Canada	2'814.6	152.1	955.9	184.3	350.2	1'172.1	239.7	932.4
Grand Total IPC	5'339.4	399.9	2'125.0	245.5	533.3	2'035.6	382.2	1'653.4

Total Proved and Probable and Possible (3P) Reserves MUSD	Revenue	Royalties	Operating Costs	Development Costs	Abandonment Costs	Future Net Revenue Before		Future Net Revenue After Income Taxes
						Income Taxes	Income Taxes	
France	2'428.8	275.2	943.0	57.1	126.4	1'027.1	289.4	737.7
Netherlands	147.4	-	65.4	0.9	40.2	40.8	11.3	29.6
Malaysia	1'084.2	86.5	402.8	8.9	27.9	558.0	21.2	536.8
Subtotal IPC International	3'660.4	361.7	1'411.3	66.9	194.5	1'626.0	321.9	1'304.1
Canada	3'502.8	219.0	1'137.9	184.3	355.8	1'605.9	335.9	1'270.0
Grand Total IPC	7'163.2	580.7	2'549.1	251.2	550.2	3'232.0	657.9	2'574.1

Net Present Value by Product Type (Aggregated)

IPC Total Future Net Revenue BTAX at 10% Discount	Primary Product Type				Total (MUSD)
	Light & Medium Crude Oil (MUSD)	Heavy Crude Oil (MUSD)	Conventional Natural Gas (MUSD)	Natural Gas Liquids (MUSD)	
Total Proved (1P) Reserves	237.8	236.6	277.7	-	752.1
Total Proved and Probable (2P) Reserves	546.3	340.6	366.2	-	1'253.1
Total Proved and Probable and Possible (3P) Reserves	790.8	429.3	431.7	-	1'651.8

IPC Total USD per boe by product type	Primary Product Type				Total (USD/boe)
	Light & Medium Crude Oil (USD/bbl)	Heavy Crude Oil (USD/bbl)	Conventional Natural Gas (USD/Mscf)	Natural Gas Liquids (USD/bbl)	
Total Proved (1P) Reserves	21.5	13.20	0.81	-	8.76
Total Proved and Probable (2P) Reserves	23.5	13.27	0.86	-	10.47
Total Proved and Probable and Possible (3P) Reserves	24.1	13.43	0.89	-	11.36

Notes

- (1) Light, Medium, and Heavy Oil Future Net Revenue and Unit Value include associated gas
- (2) Conventional natural Gas revenue and unit Value include associated condensate (light oil)

Forecast Prices used in Estimates (Aggregated)

See "IPC's Oil and Gas Assets in France, Malaysia and the Netherlands - Forecast Prices used in Estimates" and "IPC's Oil and Gas Assets in Canada - Forecast Prices used in Estimates" above.

Reconciliation of Changes in Reserves (Aggregated)

Reconciliation of Proved Reserves Mmboe	Malaysia	France	Netherlands	Sub-Total International	Canada	Canada	Canada	Sub-Total Canada	IPC Total
	Light & Medium Oil	Light & Medium Oil	Conventional Natural Gas	Oil Equivalent	Heavy Oil	Conventional Natural Gas	Natural Gas Liquids	Oil Equivalent	Oil Equivalent
Opening Balance December 31, 2016	4.9	11.3	0.9	17.0	-	-	-	-	17.0
extensions and improved recovery	+ 0.7	+ 0.0	+ 0.0	+ 0.7				+ 0.0	+ 0.7
technical revisions	+ 0.8	- 0.5	+ 0.5	+ 0.8				+ 0.0	+ 0.8
discoveries				+ 0.0				+ 0.0	+ 0.0
acquisitions				+ 0.0	+ 18.9	+ 59.6	+ 0.0	+ 78.6	+ 78.6
dispositions				+ 0.0				+ 0.0	+ 0.0
economic factors	+ 0.0	- 1.1	+ 0.0	- 1.1				+ 0.0	- 1.1
production	- 2.4	- 0.9	- 0.4	- 3.7				+ 0.0	- 3.7
Closing Balance December 31, 2017	3.9	8.8	1.0	13.7	18.9	59.6	0.0	78.6	92.3

Reconciliation of Proved + Probable Reserves Mmboe	Malaysia	France	Netherlands	Sub-Total International	Canada	Canada	Canada	Sub-Total Canada	IPC Total
	Light & Medium Oil	Light & Medium Oil	Conventional Natural Gas	Oil Equivalent	Heavy Oil	Conventional Natural Gas	Natural Gas Liquids	Oil Equivalent	Oil Equivalent
Opening Balance December 31, 2016	9.5	18.0	1.8	29.4	-	-	-	-	29.4
extensions and improved recovery	+ 1.4	+ 0.5	+ 0.0	+ 1.9				+ 0.0	+ 1.9
technical revisions	+ 0.8	+ 0.3	+ 0.4	+ 1.6				+ 0.0	+ 1.6
discoveries				+ 0.0				+ 0.0	+ 0.0
acquisitions				+ 0.0	+ 27.3	+ 73.2	+ 0.1	+ 100.6	+ 100.6
dispositions				+ 0.0				+ 0.0	+ 0.0
economic factors	- 0.3	- 0.3	+ 0.0	- 0.6				+ 0.0	- 0.6
production	- 2.4	- 0.9	- 0.4	- 3.7				+ 0.0	- 3.7
Closing Balance December 31, 2017	9.1	17.6	1.8	28.5	27.3	73.2	0.1	100.6	129.1

Reconciliation of Proved + Probable + Possible Reserves Mmboe	Malaysia	France	Netherlands	Sub-Total International	Canada	Canada	Canada	Sub-Total Canada	IPC Total
	Light & Medium Oil	Light & Medium Oil	Conventional Natural Gas	Oil Equivalent	Heavy Oil	Conventional Natural Gas	Natural Gas Liquids	Oil Equivalent	Oil Equivalent
Opening Balance December 31, 2016	13.3	23.8	3.2	40.3	-	-	-	-	40.3
extensions and improved recovery	+ 2.0	+ 0.7	+ 0.0	+ 2.7				+ 0.0	+ 2.7
technical revisions	- 1.1	+ 2.3	+ 0.3	+ 1.5				+ 0.0	+ 1.5
discoveries				+ 0.0				+ 0.0	+ 0.0
acquisitions				+ 0.0	+ 34.5	+ 83.0	+ 0.1	+ 117.6	+ 117.6
dispositions				+ 0.0				+ 0.0	+ 0.0
economic factors	+ 0.0	- 0.0	+ 0.0	- 0.0				+ 0.0	- 0.0
production	- 2.4	- 0.9	- 0.4	- 3.7				+ 0.0	- 3.7
Closing Balance December 31, 2017	11.8	25.9	3.0	40.7	34.5	83.0	0.1	117.6	158.3

Undeveloped Reserves (Aggregated)

	Light & Medium Crude Oil (MMbbl)	Heavy Crude Oil (MMbbl)	Conventional Natural Gas (Bscf)	Natural Gas Liquids (MMboe)	Oil Equivalent (MMboe)
Proved Undeveloped					
December 31, 2015	-	-	-	-	-
December 31, 2016	3.1	-	-	-	3.1
December 31, 2017	0.7	5.4	0.6	0.0	6.2
Probable Undeveloped					
December 31, 2015	-	-	-	-	-
December 31, 2016	3.3	-	-	-	3.3
December 31, 2017	1.4	9.6	1.1	0.0	11.2

See “IPC’s Oil and Gas Assets in France, Malaysia and the Netherlands – Undeveloped Reserves” and “IPC’s Oil and Gas Assets in Canada – Undeveloped Reserves”.

IPC Development Projects (Aggregated)

	Light & Medium Crude Oil Reserves MMbbl gross	Heavy Crude Oil Reserves MMbbl gross	Conventional Natural Gas Reserves Bscf Gross	Future Project Development Capital MUSD			USD per boe	Net Present Value, MUSD Before Deducting Income Tax, Discounted at:						Net Present Value, MUSD After Deducting Income Tax, Discounted at:						BTAX NPV10 per boe USD per boe	ATAX NPV10 per boe USD per boe
				2018	2019	Total		0%	5%	8%	10%	15%	20%	0%	5%	8%	10%	15%	20%		
France - Vert La Graveille Redevelopment																					
Proved Undeveloped (PUD)	2.2	-	-	0.9	24.8	25.9	11.5	66	34	22	16	7	1	49	26	16	11	4	1	7.37	5.10
Proved and Probable Undeveloped (PPUD)	3.9	-	-	0.9	39.1	44.3	11.2	137	63	62	52	33	21	101	60	45	37	22	13	13.13	9.30
Proved plus Probable plus Possible Undeveloped (PPPUD)	4.7	-	-	0.9	39.1	49.8	10.5	192	115	87	73	49	33	141	83	62	52	33	21	15.47	10.90
Malaysia - A16 and A17 Development Wells																					
Proved Undeveloped (PUD)	0.7	-	-	7.7	-	7.7	11.7	32	30	29	29	27	26	32	30	29	29	27	26	43.15	43.15
Proved and Probable Undeveloped (PPUD)	1.4	-	-	7.7	-	7.7	5.5	95	77	73	70	64	59	85	77	73	70	64	59	49.52	49.52
Proved plus Probable plus Possible Undeveloped (PPPUD)	2.0	-	-	7.7	-	7.7	3.9	119	105	96	96	86	79	97	87	83	80	74	68	47.50	40.10
Canada - Oil Drilling and EOR																					
Proved Undeveloped (PUD)	-	5.4	0.6	4.1	16.4	43.1	7.8	142	70	49	39	23	13	117	56	37	29	15	7	7.03	5.21
Proved and Probable Undeveloped (PPUD)	-	9.6	1.1	4.1	22.8	65.6	6.7	296	143	101	82	51	33	245	111	75	60	36	21	8.37	6.08
Proved plus Probable plus Possible Undeveloped (PPPUD)	-	12.3	1.4	4.1	22.8	65.6	5.2	436	205	145	118	75	50	344	154	106	85	22	33	9.39	6.78
Total IPC																					
Proved Undeveloped (PUD)	2.9	5.4	0.6	12.7	41.2	76.6	31.0	241	134	100	84	56	40	198	111	82	69	46	32	9.95	8.15
Proved and Probable Undeveloped (PPUD)	5.4	9.6	1.1	12.7	61.9	117.6	23.4	519	303	236	204	149	114	432	248	193	166	122	94	13.45	10.97
Proved plus Probable plus Possible Undeveloped (PPPUD)	8.7	12.3	1.4	12.7	61.9	123.1	19.6	749	429	331	289	210	163	581	325	251	217	129	123	14.82	11.24

Significant Factors or Uncertainties Affecting Reserves Data (Aggregated)

See “IPC’s Oil and Gas Assets in France, Malaysia and the Netherlands – Significant Factors or Uncertainties Affecting Reserves Data” and “IPC’s Oil and Gas Assets in Canada – Significant Factors or Uncertainties Affecting Reserves Data”.

Future Development Costs (Aggregated)

	2018	2019	2020	2021	2022	2023 on	Total for all years undiscounted	Total for all years discounted at 10% p.a.
Total Proved								
Canada	6.8	29.7	33.1	16.5	3.2	49.3	138.5	86.4
France	5.1	26.2	1.1	-	-	-	32.4	28.4
Netherlands	0.9	-	-	-	-	-	0.9	0.9
Malaysia	8.9	-	-	-	-	-	8.9	8.8
Total	21.8	55.8	34.2	16.5	3.2	49.3	180.8	124.4
Total Proved Plus Probable								
Canada	6.8	36.0	39.0	18.2	14.8	69.3	184.3	116.7
France	5.3	40.7	5.4	-	-	-	51.4	44.5
Netherlands	0.9	-	-	-	-	-	0.9	0.9
Malaysia	8.9	-	-	-	-	-	8.9	8.8
Total	22.0	76.7	44.4	18.2	14.8	69.3	245.5	170.8

Expectations of Sources and Costs of Funding (Aggregated)

See “IPC’s Oil and Gas Assets in France, Malaysia and the Netherlands – Expectations of Sources and Costs of Funding” and “IPC’s Oil and Gas Assets in Canada – Expectations of Sources and Costs of Funding” above.

Producing and Non-Producing Well Counts (Aggregated)

See “IPC’s Oil and Gas Assets in France, Malaysia and the Netherlands – Producing and Non-Producing Well Counts” and “IPC’s Oil and Gas Assets in Canada – Producing and Non-Producing Well Counts” above.

Properties with No Attributed Reserves (Aggregated)

See “IPC’s Oil and Gas Assets in France, Malaysia and the Netherlands – Properties with No Attributed Reserves” and “IPC’s Oil and Gas Assets in Canada – Properties with No Attributed Reserves” above.

Tax Horizon (Aggregated)

See “IPC’s Oil and Gas Assets in France, Malaysia and the Netherlands – Tax Horizon” and “IPC’s Oil and Gas Assets in Canada – Tax Horizon” above.

Production Forecast Estimates (Aggregated)

	Light & Medium Crude Oil (Mbb/d)	Heavy Crude Oil (Mbb/d)	Conventional Natural Gas (Mboe/d)	Natural Gas Liquids (Mboe/d)	Total (Mboe/d)
Total Proved (1P) Scenario					
France	1.96	-	-	-	1.96
Netherlands	0.02	-	0.79	-	0.80
Malaysia	5.29	-	-	-	5.29
Subtotal IPC International	7.27	-	0.79	-	8.05
Canada	-	6.12	16.10	-	22.22
Total IPC	7.27	6.12	16.88	-	30.27
Total Proved plus Probable (2P) Scenario					
France	2.31	-	-	-	2.31
Netherlands	0.02	-	0.94	-	0.96
Malaysia	6.58	-	-	-	6.58
Subtotal IPC International	8.92	-	0.94	-	9.86
Canada	-	6.32	16.27	-	22.59
Total IPC	8.92	6.32	17.21	-	32.45
Total Proved plus Probable plus Possible (3P) Scenario					
France	2.62	-	-	-	2.62
Netherlands	0.02	-	1.08	-	1.10
Malaysia	7.72	-	-	-	7.72
Subtotal IPC International	10.36	-	1.08	-	11.44
Canada	-	6.41	16.38	-	22.79
Total IPC	10.36	6.41	17.46	-	34.23

Contingent Resources (Aggregated)

See “IPC’s Oil and Gas Assets in France, Malaysia and the Netherlands – Contingent Resources” and “IPC’s Oil and Gas Assets in Canada – Contingent Resources” above.

Prospective Resources (Aggregated)

See “IPC’s Oil and Gas Assets in France, Malaysia and the Netherlands – Prospective Resources” above.

INTERNATIONAL PETROLEUM POST THE ACQUISITION OF BLACKPEARL

IPC Following Completion of the Arrangement

Following completion of the Arrangement, IPC will continue to explore for, develop and produce oil and gas. IPC will hold a portfolio of oil and gas production assets and development projects in Canada, Malaysia and Europe with exposure to growth opportunities. IPC will continue to focus on delivering operational excellence, demonstrate financial resilience, maximize the value of IPC’s resource base and target growth through acquisition.

Directors and Officers of IPC Following Completion of the Arrangement

Directors

Upon completion of the Arrangement, the IPC Board will consist of eight members, comprised of all seven of the current members of the IPC Board (Lukas H. Lundin, Mike Nicholson, C. Ashley Heppenstall, Donald Charter, Chris Bruijnzeels, Torstein Sanness and Daniella Dimitrov) with the addition of John Festival, currently a director and the President and Chief Executive Officer of BlackPearl, who will be appointed concurrently with the completion of the Arrangement to serve until the next annual meeting of IPC Shareholders or until his successor is duly appointed.

Officers

Upon completion of the Arrangement, IPC will continue to be led by its current executive team of Mike Nicholson, as the Chief Executive Officer, Christophe Nerguararian, as the Chief Financial Officer, Jeffrey Fountain, as the General Counsel and Corporate Secretary, Rebecca Gordon, as the Vice-President Corporate Planning and Investor Relations, Daniel Fitzgerald, as the Vice-President Operations, and Ryan Adair, as Vice-President Reservoir Development. In addition, concurrently with completion of the Arrangement, IPC will appoint Ed Sobel, the Vice President, Exploration of BlackPearl, as the Vice-President, Exploration of IPC and Chris Hogue, the Vice President, Operations of BlackPearl, as the Senior Vice-President, Canada of IPC.

Selected Combined Operational Information

The following table sets out: (a) certain operational information for IPC and BlackPearl before giving effect to the Arrangement; and (b) certain combined operational information for IPC after giving effect to the Arrangement for the periods indicated.

The following tables should be read in conjunction with IPC Reserves Reports and the BlackPearl Reserves Reports in the IPC AIF and BlackPearl AIF, respectively, which can be found under IPC’s and BlackPearl’s respective profiles on SEDAR at www.sedar.com.

This selected historical and combined operational information has not been subject to audit, review or any other procedures by PricewaterhouseCoopers AG or PricewaterhouseCoopers LLP.

	IPC before giving effect to the Arrangement	BlackPearl before giving effect to the Arrangement	IPC after giving effect to the Arrangement⁽¹⁾
Average Daily Production			
(for the three months ended September 30, 2018)			
Crude oil (Mbbbl/d)	15.9	13.8	29.7
Natural gas (Mboe/d)	19.3	0.1	19.4
Total oil equivalent (Mboe/d)	35.2	13.9	49.1

Average Daily Production

(for the nine months ended September 30, 2018)

Crude oil (Mboe/d)	16.3	11.6	27.9
Natural gas (Mboe/d)	18.1	0.1	18.2
Total oil equivalent (Mboe/d)	34.4	11.7	46.1

Total Proved Reserves

(as at December 31, 2017)⁽²⁾⁽³⁾

Light & medium crude oil (MMbbl)	12.8	-	12.8
Heavy crude oil (MMbbl)	18.9	94.4	113.3
Conventional natural gas (Bcf)	363.7	-	363.7
Natural gas liquids (MMbbl)	-	-	-
Total oil equivalent (MMboe)	92.3	94.4	186.7

Total Proved Plus Probable Reserves

(as at December 31, 2017)⁽²⁾⁽³⁾

Light & medium crude oil (MMbbl)	26.7	-	26.7
Heavy crude oil (MMbbl)	27.3	162.4	189.7
Conventional natural gas (Bcf)	450.0	-	450.0
Natural gas liquids (MMbbl)	0.1	-	0.1
Total oil equivalent (MMboe)	129.1	162.4	291.5

Notes:

- (1) The figures in this column were calculated without adjustment by adding the IPC figures in the first column with the BlackPearl figures in the second column.
- (2) Reserves presented for IPC are derived from the IPC Reserves Reports. The volumes are reported and aggregated by IPC as being as at December 31, 2017, notwithstanding that the acquisition of the Suffield area oil and gas assets

in Alberta, Canada from Cenovus Energy Inc. was not completed until January 5, 2018. Reserves presented for BlackPearl are derived from the BlackPearl Reserves Reports. Refer to the IPC AIF and the BlackPearl AIF for further information regarding the reserves, contingent resources and other oil and gas information of IPC and BlackPearl, respectively.

- (3) Reserves are gross reserves as defined in NI 51-101 utilizing forecast price and costs assumptions. With respect to the combined reserves information presented in the table above, neither IPC nor BlackPearl constructed a consolidated reserves report of the combined assets of IPC and BlackPearl, nor did they engage an independent reserves evaluator to produce such a report. Therefore, the actual reserves of IPC and BlackPearl on a combined basis after giving effect to the Arrangement, evaluated as of December 31, 2017, may differ from the reserves presented in the combined table above.

MARKET OVERVIEW

The following industry overview describes the Corporation's market. The information contained in the Section below originates from the Corporation, unless expressly stated otherwise. The Corporation has obtained this information from several sources, including industry publications and market surveys from third parties as well as publicly available information. The information obtained from third parties has been accurately reproduced, and as far as Corporation is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Oil and Gas Market Overview

Global energy consumption is driven by world population, economic growth and availability of resources. Overall consumption has seen a steady increase throughout modern economic history. Going forward, energy consumption is expected to increase for all forms of energy, primarily as a result of increased consumption in emerging economies as well as a growing global population and expanding economy. According to BP's 2018 Statistical Review of World Energy, oil is the most consumed source with an annual consumption of almost 98 million barrels per day in 2017. Oil is used for a wide array of purposes including transportation, petrochemical processes, power generation and agriculture. Currently, oil used for transportation in the form of gasoline, diesel and jet fuel is the main source of oil consumption globally. Transportation is expected to be a key source of consumption growth going forward. As a result of among other things, increased fuel efficiency and stricter environmental policies, consumption in OECD countries is expected to decrease while global consumption is expected to increase overall due to strong consumption growth in emerging economies.

Oil is found in large quantities on most continents of the world. The largest producers are Russia, Saudi Arabia and the United States. Going forward, oil production growth is expected to be dependent on increased output from the OPEC, as well as increased unconventional oil production, including Canadian oil sands, tight oil and extra heavy oil, while conventional oil production is expected to decline due to natural production decline in existing fields, reduced rate of production from new conventional fields and under-investment in the industry due to current oil price levels.

Oil is a commodity with a well-developed world market. The prices are determined on the world's leading commodities exchanges, with NYMEX in New York and the IPE in London as the most important markets for the determination of world oil prices. Prices are determined by the weight of the oil, with WTI as the main benchmark for NYMEX and Brent Crude as the main benchmark for IPE. In recent years, Brent price has emerged as the benchmark price of oil sales in global markets. Oil prices have historically experienced significant fluctuations. After a period of oil price increases, during second half of 2014, the oil price saw a sharp decline, impacted by strong supply from onshore United States, lower than expected demand growth, and OPEC deciding to not reduce its production. In February 2016, oil prices hit a ten-year low at around USD 26 per barrel. From the middle of 2016 until near the end of 2017, the oil price ranged around USD 50 per barrel, and then then has fluctuated between USD 60 and 85/bbl in 2018.

Natural gas is recognized as a regional commodity owing to the necessity to ship produced gas via pipeline to hubs capable of redirecting and distributing to purchasers; as a result, prices are often responsive to the proximal market space where natural gas is originated.

The Canadian, Malaysian, French and Dutch Industry Overviews and Regulatory Regimes

Canada Country Overview

Companies carrying on business in the oil and natural gas industry in Canada are subject to extensive controls and regulations imposed through legislation of the federal government and the provincial

governments where the companies have assets or operations. IPC holds interests in oil and natural gas properties, along with related assets, in the province of Alberta, Canada. Regulated aspects of IPC's business include activities associated with the exploration for and production of oil and natural gas, including: (i) permits for the drilling of wells; (ii) technical drilling and well requirements; (iii) permitted locations of and access to operational sites; (iv) operating standards; (v) environmental impacts; (vi) storage, injection and disposal of substances associated with production operations; and (vii) the abandonment and reclamation of impacted sites. The discussion below outlines certain conditions and regulations that impact the oil and natural gas industry in Alberta, Canada.

Pricing and Marketing in Canada

Oil

Producers of oil are entitled to negotiate sales contracts directly with oil purchasers, which results in the market determining the price of oil. Worldwide supply and demand factors primarily determine oil prices; however, regional market and transportation issues also influence prices. The specific price depends, in part, on oil quality, prices of competing fuels, distance to market, availability of transportation, value of refined products, supply/demand balance and contractual terms of sale.

Natural Gas

The price of natural gas sold in intra-provincial, interprovincial and international trade is determined by negotiation between buyers and sellers. The price received by a natural gas producer depends, in part, on the price of competing natural gas supplies and other fuels, natural gas quality, distance to market, availability of transportation, length of contract term, weather conditions, supply/demand balance and other contractual terms. Spot and future prices can also be influenced by supply and demand fundamentals on various trading platforms.

Transportation Constraints and Market Access

Producers negotiate with pipeline operators (or other transport providers) to transport their products. Due to growing production and a lack of new and expanded pipeline and rail infrastructure capacity, producers in Alberta have experienced low pricing relative to other markets in the last several years. Transportation availability is highly variable across different areas and regions, which can determine the nature of transportation commitments available, the numbers of potential customers that can be reached in a cost-effective manner and the price received.

Developing a strong network of transportation infrastructure for oil and natural gas, including by means of pipelines, rail, marine and trucks, in order to obtain better access to domestic and international markets has been a significant challenge to the Canadian oil and natural gas industry. Several proposals have been announced to increase pipeline capacity out of Alberta, to reach Eastern Canada, the United States and international markets, including via export shipping terminals on the west coast of Canada. While certain projects are proceeding, the regulatory approval process as well as economic and political factors for transportation and other export infrastructure has led to the delay of many pipeline projects or their cancellation altogether.

Natural gas prices in Alberta have also been constrained in recent years due to increasing North American supply, limited access to markets and limited storage capacity. While companies that secure firm access to transport their natural gas production out of Alberta may be able to access more markets and obtain better pricing, other companies may be forced to accept spot pricing in Alberta for their natural gas, which in the last several years has generally been depressed. Required repairs or upgrades to existing pipeline systems have also led to further reduced capacity and apportionment of firm access, which in Alberta may be further exacerbated by natural gas storage limitations.

Land Tenure

The Alberta provincial government predominantly owns the mineral rights to oil and natural gas located in Alberta. The Government of Alberta grants rights to explore for and produce oil and natural gas pursuant to leases for varying terms, and on conditions set forth in provincial legislation, including requirements to perform specific work or make payments. The leases generally have a fixed term; however, a lease may generally be continued after the initial term where certain minimum thresholds of production have been reached, all lease rental payments have been paid on time and other conditions are satisfied.

To develop oil and natural gas resources, it is necessary for the mineral estate owner to have access to the surface lands as well. Each province has developed its own process for obtaining surface access to conduct operations that operators must follow throughout the lifespan of a well, including notification requirements and providing compensation for affected persons for lost land use and surface damage.

An additional category of mineral rights ownership includes ownership by the Canadian federal government of some legacy mineral lands and within indigenous reservations designated under the *Indian Act* (Canada).

Royalties and Incentives

General

Alberta has legislation and regulations that govern royalties, production rates and other matters. The royalty regime may be a significant factor in the profitability of oil and natural gas production. Royalties payable on production from lands where the Government of Alberta does not hold the mineral rights are determined by negotiation between the mineral freehold owner and the lessee, although production from such lands is subject to certain provincial taxes and royalties. Royalties from production on Government of Alberta lands are determined by governmental regulation and are generally calculated as a percentage of the value of gross production. The rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date, method of recovery and the type or quality of the petroleum substance produced.

Producers and working interest owners of oil and natural gas rights may also carve out additional royalties or royalty-like interests through non-public transactions, which include the creation of instruments such as overriding royalties, net profits interests and net carried interests.

In Alberta, the provincial government royalty rates apply to Government of Alberta-owned mineral rights. In 2016, Alberta adopted a modernized Alberta royalty framework (the "**Modernized Framework**") that applies to all wells drilled after January 1, 2017. The previous royalty framework (the "**Old Framework**") will continue to apply to wells drilled prior to January 1, 2017 for a period of ten years ending on December 31, 2026. After the expiry of this ten-year period, these older wells will become subject to the Modernized Framework.

The Modernized Framework applies to all hydrocarbons other than oil sands. Royalties on production under the Modernized Framework are determined on a "revenue-minus-costs" basis with the cost component based on a Drilling and Completion Cost Allowance formula for each well, depending on its vertical depth and/or horizontal length. The formula is based on the industry's average drilling and completion costs as determined by the Alberta Energy Regulator (the "**AER**") on an annual basis.

Producers pay a flat royalty rate of 5% of gross revenue from each well that is subject to the Modernized Framework until the well reaches payout. Payout for a well is the point at which cumulative gross revenues from the well equals the Drilling and Completion Cost Allowance for the well set by the AER. After payout, producers pay an increased post-payout royalty on revenues of between 5% and 40% determined by reference to the then current commodity prices of the various hydrocarbons. Similar to the Old Framework, the post-payout royalty rate under the Modernized Framework varies with commodity prices. Once production in a mature well drops below a threshold level where the rate of production is too low to sustain the full royalty burden, its royalty rate is adjusted downward towards a minimum of 5% as the mature well's production declines. As the Modernized Framework uses deemed drilling and completion costs in calculating the royalty and not the actual drilling and completion costs incurred by a producer, low cost producers benefit if their well costs are lower than the Drilling and Completion Cost Allowance and, accordingly, they continue to pay the lower 5% royalty rate for a period of time after their wells achieve actual payout.

The Old Framework is applicable to all conventional oil and natural gas wells drilled prior to January 1, 2017. Subject to certain available incentives, royalty rates for conventional oil production under the Old Framework range from a base rate of 0% to a cap of 40%. Subject to certain available incentives, royalty rates for natural gas production under the Old Framework range from a base rate of 5% to a cap of 36%. The Old Framework also includes a natural gas royalty formula which provides for a reduction based on the measured depth of the well below 2,000 meters deep, as well as the acid gas content of the produced gas.

The Government of Alberta has from time to time implemented drilling credits, incentives or transitional royalty programs to encourage oil and natural gas development and new drilling. In addition, the Government of Alberta has implemented certain initiatives intended to accelerate technological development and facilitate the development of unconventional resources, including as applied to coalbed methane wells, shale gas wells and horizontal oil and natural gas wells.

Freehold mineral taxes are levied for production from freehold mineral lands on an annual basis on calendar year production. Freehold mineral taxes are calculated using a tax formula that takes into consideration, among other things, the amount of production, the hours of production, the value of each unit of production, the tax rate and the percentages that the owners hold in the title. On average, in Alberta the tax levied is 4% of revenues reported from freehold mineral title properties. The freehold mineral taxes would be in addition to any royalty or other payment paid to the owner of such freehold mineral rights, which are established through private negotiation.

Freehold and Other Types of Non-Crown Royalties

Royalties on production from privately-owned freehold lands are negotiated between the mineral freehold owner and the lessee under a negotiated lease or other contract.

In addition to the royalties payable to the mineral owners, producers of oil and natural gas from freehold lands in Alberta are required to pay freehold mineral taxes or production taxes. Freehold mineral taxes or production taxes are taxes levied by the provincial government on oil and natural gas production from lands where the Government of Alberta does not hold the mineral rights.

Regulatory Authorities and Environmental Regulation

General

The oil and natural gas industry is subject to environmental regulation under a variety of Canadian federal, provincial, territorial and municipal laws and regulations, all of which are subject to review and revision from time to time. Such regulations provide for, among other things, restrictions and prohibitions on the spill, release or emission of various substances produced in association with certain oil and natural gas industry operations, such as sulphur dioxide and nitrous oxide. The regulatory regimes set out the requirements with respect to oilfield waste handling and storage, habitat protection and the operation, maintenance, abandonment and reclamation of well and facility sites. Compliance with such regulations can require significant expenditures and a breach of such requirements may result in suspension or revocation of necessary licences and authorizations, civil liability and the imposition of material fines and penalties. In addition to these specific, known requirements, future changes to environmental legislation, including anticipated legislation for air pollution and greenhouse gas ("GHG") emissions, may impose further requirements on operators and other companies in the oil and natural gas industry.

Federal

Canadian environmental regulation is the responsibility of both the federal and provincial governments. Where there is a direct conflict between federal and provincial environmental legislation in relation to the same matter, the federal law will prevail. However, such conflicts are uncommon. The federal government has primary jurisdiction over federal works, undertakings and federally regulated industries such as railways, aviation and interprovincial transport including interprovincial pipelines.

Alberta

The AER is the single regulator responsible for all resource development in Alberta. The AER is responsible for ensuring the safe, efficient, orderly and environmentally responsible development of hydrocarbon resources including allocating and conserving water resources, managing public lands, and protecting the environment. The objective behind a single regulator is an enhanced regulatory regime that is intended to be efficient, attractive to business and investors and effective in supporting public safety, environmental management and resource conservation while respecting the rights of landowners.

The Government of Alberta relies on regional planning to accomplish its responsible resource development goals. Its approach to natural resource management provides for engagement and consultation with stakeholders and the public and examines the cumulative impacts of development on

the environment and communities by incorporating the management of all resources, including energy, minerals, land, air, water and biodiversity.

The Government of Alberta's land-use policy for surface land in Alberta sets out an approach to manage public and private land use and natural resource development in a manner that is consistent with the long-term economic, environmental and social goals of the province.

Liability Management Rating Program

The AER administers the Licensee Liability Rating Program (the "**LLR Program**"). The LLR Program is a liability management program governing most conventional upstream oil and natural gas wells, facilities and pipelines. Alberta's *Oil and Gas Conservation Act* (the "**OGCA**") establishes an orphan fund (the "**Orphan Fund**") to pay the costs to suspend, abandon, remediate and reclaim a well, facility or pipeline included in the LLR Program if a licensee or working interest participant ("**WIP**") becomes insolvent or is unable to meet its obligations. The Orphan Fund is funded by licensees in the LLR Program through a levy administered by the AER. The LLR Program is designed to minimize the risk to the Orphan Fund posed by unfunded liability of licensees and to prevent the taxpayers of Alberta from incurring costs to suspend, abandon, remediate and reclaim wells, facilities or pipelines. The LLR Program requires a licensee whose deemed liabilities exceed its deemed assets to provide the AER with a security deposit. The ratio of deemed assets to deemed liabilities is assessed once each month and where a security deposit is deemed to be required, the failure to post any required amounts may result in the initiation of enforcement action by the AER. The AER publishes the liability management rating for each licensee on a monthly basis on its public website.

The AER's *Directive 067: Eligibility Requirements for Acquiring and Holding Energy Licences and Approvals*, which deals with licence eligibility to operate wells and facilities, was recently amended and now requires corporate governance and shareholder information, with a particular focus on any previous companies of directors and officers that have been subject to insolvency proceedings in the last five years. All transfers of well, facility and pipeline licences in the province are subject to AER approval. As a condition of transferring existing AER licences, approvals and permits, all are assessed and the AER now requires all transferees to demonstrate that they have a liability management rating, being the ratio of a licensee's assets to liabilities, of 2.0 or higher immediately following the transfer, or to otherwise prove that it can satisfy its abandonment and reclamation obligations.

Climate Change Regulation

Climate change regulation at both the federal and provincial level has the potential to significantly affect the regulatory environment of the oil and natural gas industry in Canada.

In general, there is some uncertainty with regard to the impacts of federal or provincial climate change and environmental laws and regulations, as it is currently not possible to predict the extent of future requirements. Any new laws and regulations, or additional requirements to existing laws and regulations, could have a material impact on IPC's operations and cash flow from operating activities.

Federal

Canada has been a signatory to the United Nations Framework Convention on Climate Change (the "**UNFCCC**") since 1992. Since its inception, the UNFCCC has instigated numerous policy experiments with respect to climate governance. On April 22, 2016, 197 countries signed the Paris Agreement, committing to prevent global temperatures from rising more than 2° Celsius above pre-industrial levels and to pursue efforts to limit this rise to no more than 1.5° Celsius. As of February 1, 2018, 174 of the 197 parties to the convention have ratified the Paris Agreement.

Following the Paris Agreement and its ratification in Canada, the Government of Canada pledged to cut its emissions by 30% from 2005 levels by 2030. Further, on December 9, 2016, the Government of Canada released the Pan-Canadian Framework on Clean Growth and Climate Change (the "**Framework**"). The Framework provided for a carbon-pricing strategy, with a carbon tax starting at CAD 10/tonne, increasing annually until it reaches CAD 50/tonne in 2022. A draft legislative proposal for the federal carbon pricing system was released on January 15, 2018. This system would apply in provinces and territories that request it and in those that do not have a carbon pricing system in place that meets the federal standards in 2018. Four provinces currently have carbon pricing systems in place that would meet federal requirements (Alberta, British Columbia, Ontario and Quebec).

On May 27, 2017, the federal government published draft regulations to reduce emissions of methane from the oil and natural gas sector. The proposed regulations aim to reduce unintentional leaks and intentional venting of methane, as well as ensuring that oil and natural gas operations use low-emission equipment and processes, by introducing new control measures. Among other things, the proposed regulations limit how much methane upstream oil and gas facilities are permitted to vent. These facilities would need to capture the gas and either re-use it, re-inject it, send it to a sales pipeline, or route it to a flare.

Alberta

On November 22, 2015, the Government of Alberta introduced its Climate Leadership Plan (the "**CLP**"). The CLP has four areas of focus: implementing a carbon price on GHG emissions, phasing out coal-generated electricity and developing renewable energy, legislating an oil sands emission limit, and introducing a new methane emissions reduction plan. The Government of Alberta has since introduced new legislation to give effect to these initiatives. The *Climate Leadership Act* came into force on January 1, 2017 and enabled a carbon levy that increased from CAD 20 to CAD 30 per tonne on January 1, 2018. The levy is anticipated to increase again in 2021 in line with the federal legislation.

The *Carbon Competitiveness Incentives Regulation* (the "**CCIR**"), which replaces the *Specified Gas Emitters Regulation*, came into effect on January 1, 2018. Unlike the previous regulation, which set emission reduction requirements, the CCIR imposes an output-based benchmark on competitors in the same emitting industry. The aim is to reduce annual GHG emissions by 20 megatonnes by 2020 and 50 megatonnes by 2030, and targets facilities that emit more than 100,000 tonnes of GHGs per year and mandates quarterly and final reporting requirements. The CCIR compliance obligations will be reduced by 50% and 25% for 2018 and 2019, respectively, with no reduction for 2020 onward. In addition to the industry-specific benchmarks, each benchmark will decrease annually at a rate of 1%, beginning in 2020. The Government of Alberta intends for this strategy to align with the federal Framework.

The Government of Alberta also signaled its intention through its CLP to implement regulations that would lower annual methane emissions by 45% by 2025. Regulations are planned to take effect in 2020 to ensure the 2025 target is met.

Alberta was also the first jurisdiction in North America to direct dedicated funding to implement carbon capture and storage technology across industrial sectors. Alberta has committed to fund two large-scale carbon capture and storage projects that will begin commercializing the technology. On December 2, 2010, the Government of Alberta passed the *Carbon Capture and Storage Statutes Amendment Act, 2010*. It deemed the pore space underlying all land in Alberta to be, and to have always been the property of the Crown and provided for the assumption of long-term liability for carbon sequestration projects by the Crown, subject to the satisfaction of certain conditions.

Accountability and Transparency

In 2015, the federal government's *Extractive Sector Transparency Measures Act* (the "**ESTMA**") came into effect, which imposed mandatory reporting requirements on certain entities engaged in the "commercial development of oil, gas or minerals", including exploration, extraction and holding permits. All companies subject to ESTMA must report payments over CAD 100,000 made to any level of a Canadian or foreign government (including indigenous groups), including royalty payments, taxes (other than consumption taxes and personal income taxes), fees, production entitlements, bonuses, dividends (other than ordinary dividends paid to shareholders), infrastructure improvement payments and other prescribed categories of payments. IPC's ESTMA report for the year ended December 31, 2017 is available on its corporate website.

Malaysian Country Overview⁵

Industry Summary

Malaysia's upstream sector has been built upon the oil and gas fields in the shallow waters off Peninsular Malaysia and Sarawak, which have been the focus of development activity since the 1960s.

⁵ The "Malaysian Country Overview" section was based on Fariz Abdul Aziz, "Malaysia" in Christopher B. Strong, ed, *The Oil and Gas Law Review* (November 2016, 4th ed) 162. The parts of this disclosure reproduced or taken from the chapter have been reproduced with the permission of the author and Law Business Research Ltd.

As production in this region has matured, the attention of major operators switched to the deepwater potential off of Borneo in the Sarawak and Sabah basins. This change in focus has led to large oil discoveries such as Kikeh and Gumusut, offshore of Sabah. In recent years, the Malaysian state oil company Petronas and other operators have discovered large gas accumulations in carbonate pinnacle reef structures in Sarawak.

Oil production in Malaysia began in the early part of the 20th century. In the 1960s, exploration activity moved offshore and the first significant fields were brought onstream. Since reaching a peak of 770,500 bbl/d in 1995, liquids production has declined. Malaysia is now considered a relatively mature oil producer.

Gas is an increasingly important component of the energy economy of Malaysia, as evidenced by the comparison of liquids and gas production through time. Gas production in Malaysia can be split into peninsular production, supplied for domestic consumption in peninsular Malaysia, and Borneo production, the majority of which is converted to liquefied natural gas for export at the Bintulu plant in Sarawak.

Regulatory Framework

Key Legislation

Petroleum Development Act

The Petroleum Development Act 1974 (the “**PDA**”) and the Petroleum Regulation 1974 enacted pursuant to the PDA (the “**Petroleum Regulation**”) are the key legislative enactments that govern oil and gas exploration activities both onshore and offshore in Malaysia. The PDA came into force on October 1, 1974. Pursuant to the PDA, the entire ownership in, and the exclusive rights, powers, liberties, privileges of exploring, winning and obtaining petroleum onshore and offshore were vested in Petronas, Malaysia’s national oil company. The vesting of the ownership, rights, powers, liberties and privileges from Malaysia to Petronas is in perpetuity and irrevocable. The PDA and the Petroleum Regulation also set out the licensing requirements for upstream activities and the downstream activities of refining, marketing and distributing oil products.

Petroleum (Income Tax Act) 1967

The Petroleum (Income Tax) Act 1967 (“**PITA**”) governs the taxation of petroleum income in Malaysia.

Environmental and Decommissioning

Decommissioning of oil and gas facilities and pipelines is governed by a number of laws due to the variety of activities that are required to undertake abandonment and decommissioning. Such laws include the Continental Shelf Act 1966, the Exclusive Economic Zone Act 1984, the Petroleum (Safety Measures) Act 1984, the Environmental Quality Act 1974, the Occupational Safety and Health Act 1994, the Fisheries Act 1985, the Merchant Shipping Ordinance 1952 and the Merchant Shipping (Oil Pollution) Act 1994. In summary, the laws require that the abandonment and decommissioning activities be carried out safely, not cause any environmental degradation and not interfere with other offshore activities such as fishing.

Other Key Legislation

The Petroleum (Safety Measures) Act 1984 (the “**PSMA**”) and the regulations thereunder govern the transportation, storage and handling of oil and oil products. The Environmental Quality Act 1974 (the “**EQA**”) is the main legislation governing the protection of the environment and the protection of oil spills and pollutants on land and in Malaysian waters.

Many of Malaysia’s oilfields are situated in its exclusive economic zone. The exclusive Economic Zone Act (1984) governs activities in Malaysia’s exclusive economic zone.

Regulatory Body

As a result of the PDA, Petronas exercises regulatory powers in respect of the upstream sector. Any person wishing to engage in exploration activities is required to be authorized to do so by Petronas,

either by entering into a PSC or by obtaining a licence from Petronas to provide services to the upstream industry.

The construction and operation of petroleum pipelines is governed by the PSMA and the Petroleum (Safety Measures) (Transportation of Petroleum by Pipelines) Regulations 1985, which is under the purview of the Petroleum Safety Unit of the Ministry of Domestic Trade, Co-operatives and Consumerism.

Licensing

Production Sharing Contracts

Since the enactment of the PDA, a person seeking to obtain rights to explore, develop and produce petroleum is required to enter into a PSC with Petronas.

Almost all licences in Malaysia are presently governed by PSCs. The terms and scope of the rights granted are entirely contained in the PSC and such rights are enforceable under Malaysian law. The terms of the PSC provide that the party to the PSC (the “**PSC Contractor**”) is solely responsible for the provision of all funds required directly or indirectly for petroleum operations. The PSC Contractor is then entitled to recover costs related to petroleum operations and a share of profits from the production of crude oil or natural gas in kind, based on a defined formula contained in the PSC.

PSCs also set out specific responsibilities for decommissioning and abandonment. The terms of the PSC require that PSC Contractors make payments to a fund for abandonment and decommissioning operations known as the “abandonment cess”. Payment of the abandonment cess commences upon commercial production of petroleum and is payable on an annual basis. Such payments are cost recoverable under the terms of the PSC.

State Participation in Oil and Gas Production

As a matter of policy, Petronas’ exploration arm, PCSB, must be a party to all PSCs awarded by Petronas, with a view to allowing the state a direct interest in the PSC awarded as well as the ability to derive knowledge from the other PSC Contractors. Under current PSC terms, PCSB has the right to a carried interest in any exploration block during the exploration period. The interest is negotiable, but it usually varies between 15% and 25%. Once a commercial discovery has been made, PCSB must elect whether or not to become a working partner in any development.

Production Restrictions

Petronas reserves the right to restrict a PSC Contractor from holding Malaysian crude oil in any form of buffer stock that is contrary to a PSC Contractor’s normal market operations.

In respect of crude oil exports, PSC Contractors are free to export their respective of crude oil produced, subject to obtaining the relevant customs approvals and complying with the reporting obligations to Petronas. In terms of gas sales, PSC Contractors are required to sell their entitlement of natural gas produced on a joint dedicated basis with Petronas.

While there are generally no requirements for PSC Contractors to sell any portion of oil produced to the local market, this is subject to provisions contained in the PSC that apply to times of general shortage of supplies of petroleum in countries that are from time to time members of the Association of Southeast Asian Nations Council on Petroleum or its successor, or to Malaysian refineries and petrochemical plants. In such times, PSC Contractors are required to give preference to prospective buyers in such countries and to Malaysian refineries and petrochemical plants provided that the prices and other terms of purchase offered are competitive.

Fiscal Terms

Petroleum (Income Tax Act) 1967

Petroleum income tax is charged on the income of every “chargeable person” derived from “petroleum operations” in Malaysia at a rate of 38%. The “chargeable persons” under PITA are Petronas, the Malaysia-Thailand Joint Authority and PSC Contractors in respect of each PSC. PSC Contractors are taxed on a per-PSC basis on the profit oil and profit gas, less allowable deductions and capital

allowances, produced from its operations in Malaysia. PITA allows qualifying exploration expenditures and expenditures wholly and exclusively incurred in the production of gross income to be deducted from gross income.

Tax Incentives

To encourage the development of marginal fields, enhanced oil recovery, high carbon dioxide gas, high-pressure, high-temperature, and deep water projects, the government introduced new tax incentives through the following subsidiary legislation:

- Petroleum (Income Tax) (Exemption) Order 2013 (the “**Exemption Order**”);
- Petroleum (Income Tax) (Accelerated Capital Allowances) (Marginal Field) Rules 2013 (the “**ACA Rules**”);
- Petroleum (Income Tax) (Marginal Field) Regulations 2013; and
- Petroleum (Income Tax) (Investment Allowance) Regulations (the “**IA Regulations**”, and collectively, the “**New Tax Incentives**”).

The New Tax Incentives took effect in November 2010. The ACA Rules allow for accelerated capital allowance on qualifying plant expenditures incurred for petroleum operations in a marginal field. Applying the accelerated capital allowance rate, capital allowance on qualifying plant expenditures can be fully claimed within five years as opposed to ten years based on conventional capital allowance rates. Under the Exemption Order, the Minister exempts a portion of the statutory income derived from petroleum operations in a marginal field, which results in “chargeable income” derived from marginal fields being taxed at 24.966% instead of 38%.

The IA Regulations provide for an investment allowance equal to 60% of qualifying capital expenditures incurred in a period for a year of assessment within a period of ten years in respect of a qualifying project; or on an infrastructure asset as determined by the Minister. A “qualifying project” is a project that carries out either enhanced oil recovery, high carbon dioxide gas, high-pressure, high-temperature, or any combination thereof; or a project in an area under a PSC in respect of a deep water project. This results in a 60% investment allowance in addition to capital allowance, and 70% of statutory income from a qualifying project is tax exempted equal to the investment allowance available.

Royalties

The PDA expressly stipulates that in return for the vesting of ownership and rights in the petroleum resources, Petronas is to make cash payments to the federal government and the government of the state in which petroleum is produced. The payments are made by Petronas in the form of royalty payments to the federal government, which are in turn distributed to the applicable state governments. The source of these payments is the production of oil and gas under various PSCs. Under the PSC framework, 10% of all petroleum won and saved by PSC Contractors is paid to Petronas in order to satisfy payment of royalties under the PDA.

Profit Sharing

Apart from the royalty payments, PSC contractors are also required to share a certain proportion of profit oil or profit gas from crude oil and natural gas produced with Petronas, based on a predetermined formula. In order to share in any upside in the price of oil, PSC Contractors are required to make supplemental cash payments to Petronas for such portion of the PSC Contractor’s portion of the profit oil or profit gas that exceeds the specified base price agreed in the PSC.

France Country Overview

Industry Summary

France is a mature hydrocarbon country. French production originates from three main sedimentary basins known as the Aquitaine, Paris and Alsace basins. Nearly all of the Oil and Gas Assets in France are located in the Paris Basin and the Aquitaine Basin.

Commercial oil production began in France in 1950 and peaked in 1988, when rising production from the Paris Basin exceeded the decline from the Aquitaine Basin fields. The bulk of current oil production in France comes from the Paris Basin.

Regulatory Regime Summary

As there are no formal licensing rounds in France, companies can make individual applications for unlicensed areas. There are essentially two types of licence: exploration and production. All licensing regulations are controlled by the General Department of Energy and Climate in conjunction with the General Council of Mines.

The fiscal terms which apply to the upstream oil and gas industry in France are based on a concession system. Business tax and royalties are payable to the government and further local levies are payable to the local authorities where the fields are situated. For 2017, the corporate tax rate was 33.3% with a social surtax of 3.3% on net profits over USD 2.23 million, resulting in a marginal tax rate of up to 34.43%.

In 2011, the French government imposed a ban on hydraulic fracturing. This ban remains in place and effectively prohibits exploration for and development of unconventional oil and gas deposits in France.

Regulatory Framework

Key Legislation

In France, all mining resources from the subsoil, including oil and gas, belong to the state. The 2011 Mining Code, which came into force on March 1, 2011, allows the government to delegate to companies the right to explore the subsoil and produce oil and gas. Certain provisions of the Mining Code that were in effect prior to the 2011 Mining Code remain in force until the publication of the regulatory provisions of the 2011 Mining Code. The 2011 Mining Code defines the process by which exploration permits (*permis exclusifs de recherches*) and production licences (*concessions*) may be granted and how royalties should be set. In addition, the General Code of Taxation (*Code général des impôts*) details how Communal and Departmental taxes, as well as corporate income tax payable to the state, are calculated.

Management of the Corporation understands that a reform of the 2011 Mining Code was launched by the French government in 2013. However, the bill in relation to that reform has not yet been released.

Regulatory Body

The Minister of Environment, Energy and Sea, together with the Minister of the Economy, Industry and Digital Economy, who are jointly in charge of mining, are responsible for granting the licenses. License applications are processed by the General Department of Energy and Climate (*Direction Générale de l'Énergie et du Climat*) and, more specifically, the Oil & Gas Department (*Bureau Exploration-Production des Hydrocarbures*) of the Ministry of Environment, Energy and Sea. Regulation and administration of the mining activities are carried out through the local state representatives.

Exploration Permits (permis exclusif de recherches)

As there are no formal licensing rounds, companies can make individual applications for unlicensed areas. Applications must give information relating to the identity of the applicant, its technical and financial capacities, a technical notice, cartographical documents, a financial commitment referring to a work programme, an assurance that the work programme is within the environment protection regulations (*notice d'impact indiquant les incidences éventuelles des travaux projetés sur l'environnement et les conditions dans lesquelles l'opération projetée prend en compte les préoccupations d'environnement*) and, as the case may be, the consent of the holder of an existing mining licence.

Once awarded, the project (*projet d'attribution*) is submitted to the General Council of Economy, Industry, Energy and Technology (*Conseil général de l'économie, de l'industrie, de l'énergie et des technologies*) which has to issue an opinion. The exploration permit is then granted by an order (*arrêté*) of the Minister in charge of mining.

Exploration permits are awarded for an initial period of five years or less. In every case, there is a financial commitment referring to an agreed work programme. There are no rental payments for holding exploration permits. The permit may be renewed twice, each time for five years or less.

Applications for extension of exploration permits are submitted to the Minister in charge of mining. If the initial work programme requirements have been completed, renewals are not generally rejected. The extension of exploration permits is granted by an order (*arrêté*) of the Minister in charge of mining.

Any transfer to a new permit holder must be submitted to the Minister in charge of mining for approval. Any project for a change of control of the exploration permit holder must be prior notified to the Minister in charge of mining, who has a two-month period, that may be renewed once, to oppose the project.

Production Licences (Concessions)

The concession is granted for a period of not more than 50 years and could be renewed several times for 25 years or less. However, the initial period of the concession is flexible and is generally shorter for smaller developments, it being specified that the maximum duration of the concession shall not exceed 50 years. It should be noted that production can commence from a new field on an exploration permit prior to the award of a concession.

As for the award of exploration permits, the award of concessions is subject to a specific procedure involving competition, except in the case where the applicant has already been granted an exploration permit on the corresponding area. This specific procedure differs from that one relating to the award of exploration permits, in particular as it involves a public enquiry (*enquête publique*). The concession is granted by decree (*décret en Conseil d'Etat*).

French Decree 2006-648 dated June 2, 2006 relating to mining licences stipulates, in particular, the following:

- any project which may involve a change of control of the licence-holding company (whether direct or indirect) needs to be notified to the Minister of Mines in advance. The Minister of Mines has a two-month period (which can be extended to four months) to oppose the project; and
- any project which involves a material modification to the financial and technical capabilities taken into consideration at the time when the licence was granted must be notified to the Minister of Mines.

In 2017, the French government enacted legislation to cease granting new petroleum exploration licenses in France and to restrict the production of oil and gas under existing production licenses in France from 2040. The Group continues to work closely with other industry participants and the French authorities with respect to this legislation. IPC does not expect that this legislation will have a material adverse effect on the Group's operations or financial condition.

Fiscal Terms

Mineral rights in France belong to the French State, and production of hydrocarbons occurs under a concession regime. Holders of a concession or production licence must pay the French tax authorities a royalty proportional to the value of the products extracted. This royalty is paid starting from production. The royalty regime distinguishes between "old production" (i.e., quantities extracted from wells "*puits*" put in service before January 1, 1980) and "new production" (other extracted quantities) and is ring-fenced by production concession. Under the current French Mining Code, the royalty payable is progressive and depends on annual production levels. Royalty rates applicable to oils are currently ranging between (i) 0% (for the portion of the production below 50,000 tonnes, i.e., 1,014 bbl/d) and 12% (above 300,000 tonnes, i.e., 6,082 bbl/d) for "new production", and (ii) 8% (below 50,000 tonnes, i.e., 1,014 bbl/d) and 30% (above 100,000 tonnes, i.e., 2,027 bbl/d) for "old production".

Local mining taxes, or RCDM (*redevance communale et départementale des mines*), are also payable to the applicable administrative French country and municipality on whose territory the oil is produced. Each local tax is determined by multiplying production by a unit rate, which is set each year by the Ministry of the Environment and Energy. The local mining tax is payable in arrears (production of 2015 is reported in 2016 and the corresponding tax is paid, after receipt of the notice of payment, generally end 2016 or beginning 2017), is ring-fenced by well, and the regime distinguishes between fields

entered into production before and after January 1, 1992. For 2017, the RCDM was set at €22.511 per net tonne of oil equivalent for fields that commenced production prior to 1992, with a reduced rate of €6.406 per net tonne of oil equivalent for fields that started production post-1992. The 2017 offshore rate was €2.129/tonne. Each of the taxes is deductible when determining the profit subject to French corporate tax. The amounts of the local mining taxes applicable since 2013 are as follows (100 net tonnes equals 740 bbl):

Years	Royalties (in €) per 100 net extracted tonnes		
	Communal tax	Departmental tax	Total
2013			
Prior to January 1, 1992	812.70	1 044.00	1 856.70
From January 1, 1992	248.00	315.40	563.40
2014			
Prior to January 1, 1992	831.40	1 068.00	1 899.40
From January 1, 1992	251.20	319.50	570.70
2015			
Prior to January 1, 1992	847.20	1 088.30	1 935.50
From January 1, 1992	253.50	322.40	575.90
2016			
Prior to January 1, 1992	868.40	1 115.50	1.983.90
From January 1, 1992	256.00	325.60	581.60

Netherlands Country Overview

Industry Summary

The Netherlands is the second largest gas producer in Europe. It is now a mature hydrocarbon country as onshore production began in the 1950s and offshore production began in the 1960s. Gas production is dominated by the large onshore Groningen field, which was discovered in 1959. It is the largest gas field in Europe and among the 10 largest gas fields in the world.

Regulatory Regime Summary

The MEA is responsible for the optimal development of oil and gas resources in the Netherlands. All oil and gas activity is governed by the terms outlined in the 2003 Mining Law, which provides the statutory framework for (*inter alia*) licensing, decommissioning and abandonment, Dutch State participation and financial obligations of licensees. The Netherlands introduced an open licensing system in 1995 in an effort to maintain exploration activity levels on the Dutch continental shelf. Under this system, all unlicensed acreage is available for allocation at any time during the year.

State participation occurs in the Netherlands via EBN, which acts as an independent partner in the majority of Dutch fields.

Regulatory Framework

Key Legislation

2003 Mining Act

The current Mining Act (the “**2003 Mining Act**”) became effective on January 1, 2003. The 2003 Mining Act, together with a Mining Decree and a Mining Regulation, has significantly reduced the administrative burden on companies operating in the Dutch upstream industry, due to the simplification of the legislation.

2000 Dutch Gas Act

The Dutch Gas Act, which became effective in 2000, as amended from time to time, implemented European Union regulations on market liberalization, security of supply, independent and non-

discriminatory gas network operation, a fully-regulated third party access regime for access to domestic gas pipelines, domestic gas network ownership unbundling and the designation of an independent regulatory authority.

Corporation Income Tax Act 1969

Corporate income taxation is based on the Corporation Income Tax Act 1969 (“**CITA 1969**”).

Regulatory Bodies

Ministry of Economic Affairs

The Energy Directorate of the MEA is responsible for ensuring optimal development of oil and gas resources in the Netherlands and sustainable use of the “deep subsurface”. It is assisted by the *Bouwen Ondergrond* (Construction and Subsurface) department of TNO (the Dutch Geological Survey), which advises the Ministry on geological matters and handles the processing of information relating to exploration and production. Furthermore, the MEA may rely on technical and commercial advice of the state participation company EBN.

State Supervision of Mines

The State Supervision of Mines, a division of the MEA, has the task of ensuring compliance to Mining regulations and cooperation in the preparation of new Mining legislation.

State Participation in Oil and Gas Production

Based on the 2003 Mining Act and its predecessors the state is entitled to participate directly in production activities through EBN. EBN acts as an independent partner in the majority of Dutch fields. Pursuant to the 2003 Mining Act it has a right to participate with a 40% interest. In a number of older licences and concessions (issued between 1976 and 1995) this is 50%. At the acquisition of its participating interest EBN must reimburse the licence holder, at a percentage equal to EBN’s interest (i.e., under current legislation, 40%), for the expenditures the licence holder incurred in exploration for and appraisal of the prospect, and any further capital investment in production facilities. This is commonly referred to as contribution reimbursement (*inbrengvergoeding*). The reimbursement as a rule includes the following: (i) investments in business assets, (ii) exploration expenses and (iii) an interest component. Each of those may lead to a taxable event for the purpose of CITA 1969 and State Profit Share (see below, Fiscal Terms).

Government Gas Fields Depletion Policy

Historical Overview

GasTerra, as successor to the former Gasunie’s trade and supply business, still dominates the Dutch gas market, although sellers of gas from the Small Fields are allowed to sell gas to other buyers than GasTerra. GasTerra contracts can be terminated through contract provisions which are exercisable every three years. GasTerra has four main categories of customers to whom it sells gas directly. These are foreign companies, large industrial consumers, gas distribution companies within the Netherlands and abroad, and power generators. With the onset of liberalization, some of these customers have negotiated supply contracts with suppliers other than GasTerra.

Small Fields Policy

The government decided that from 1974 it would encourage exploration and development of smaller gas fields (Small Fields Policy). Small fields are exploited preferentially in order to reduce the load on Groningen, which is mainly used as a gas balancing field. In the winter, when gas demand is high, Groningen supplies additional gas as required. This has led to the Groningen field being conserved as a strategic reserve and for use as a swing producer. This priority of buying any domestic gas available for sale has helped to encourage exploration activity in the Netherlands. It has been consolidated in the Dutch Gas Act, which lays down the statutory obligation for GasTerra to purchase the gas produced from small fields against a market conforming price, if and when the gas is offered to it. Two exceptions to this general obligation exist. First, the MEA may temporarily release GasTerra from the obligation to purchase gas offered to it for economic or financial reasons. Second, in the event and to the extent that the specifications of the gas would require adjustments in the transmission system that are considered

uneconomic to its operator, Gasunie Transport Services BV, it is released from its statutory obligation to accept the gas in the transmission system and in such case GasTerra is equally released from its obligation to purchase the gas. In addition, it should be noted that Gasunie Transport Services BV is entitled to unilaterally set conditions regarding the feeding in into the transmission system of natural gas produced by mining companies.

GasTerra Offtake Terms for Small Fields – Quantities

All gas purchase contracts signed with the domestic producers over the past decade have been for the life of the reserves by field or block. To calculate the depletion rate of a field the producer must stipulate to GasTerra the economically recoverable reserves of a field or a licence (generally on a field basis).

GasTerra Offtake Terms for Small Fields – Pricing

GasTerra has a considerable number of gas contracts with domestic gas producers. GasTerra's aim has been to market the gas at competing prices for specific sectors of the market, e.g., heavy fuel oil for power stations and industry and gas oil to the domestic user. With this pricing scenario, GasTerra has effectively been giving the domestic producers its best price for the gas after taking a reasonable profit margin, and still managing to keep demand for gas high.

GasTerra's gas contracts with producers will typically vary in price; however, the basis of the contract pricing is similar. The gas price in a contract with a producer is based on the spot market prices of the Dutch TTF and to a lesser extent the UK's National Balancing Point (NBP), have become part of the pricing formula.

Licensing

The 2003 Mining Act introduced a uniform licensing regime for onshore and offshore licensing, thereby ending the previously existing distinction between (onshore) concessions and (offshore) licences and concessions.

There are four types of licence for onshore and offshore activities:

- *Exploration* – Licence that incorporates exploration activities by means of drilling.
- *Production* – Licence awarded when a company wishes to extract hydrocarbons.
- *Gas storage* – Licence awarded when a company wishes to store hydrocarbons.
- *CO₂ storage* – Licence awarded when a company wishes to store carbon dioxide.

Offshore Licensing

The total area available for licensing offshore the Netherlands is 57,200 km². The offshore sector is divided into quadrants of 1° latitude by 1° longitude, designated by letters. Each of the quadrants is subdivided into 18 blocks, measuring around 23 kilometres by 18 kilometres (approximately 410 km²) on a 3 x 6 grid.

Offshore Exploration Licences and Concessions

Under the conditions of the current licensing regime under the 2003 Mining Act, licence periods reflect the work commitments offered rather than being fixed as for historic licences and concessions.

An exploration licence may be retained after the expiry date only if the company has an application for a production licence outstanding on the licence with the approval of the government. A production licence is awarded only if it is probable that the minerals in the licence area are economically recoverable. The definition of a commercial discovery was extremely debatable under the 1967 Royal Decree legislation whilst under 1976 (and later) legislation the definition takes into account production cost, size of resource, sales price etc.

Offshore Production Licences and Concessions

On award of a production licence, the exploration licence is converted. In jointly held licences, the statutory obligation to remove the mining installation rests on the operator of the licence. The state may require the provision of a financial guarantee for removal costs of installations in the event an

administrative enforcement order has been issued to enforce the obligation to remove the mining installations. The liability amongst the joint venture parties is arranged contractually.

When a production licence is awarded the MEA announces it in the State Gazette (*Staatscourant*). The licence decision enters into operation the after its publication.

Onshore Licensing

Fallow Covenant

In order to stimulate activity on licensed offshore fallow acreage, the Dutch authorities introduced new provisions in the 2003 Mining Act that empower the Minister of Economic Affairs to review the delineation of a licence area if no significant activities have taken place in that area for two consecutive years.

Financial Provisions

Rental Fees

The 2003 Mining Act applies rental fees to all Dutch exploration and production licences (onshore and offshore) and concessions. Rental fees are indexed (commensurate with a wage index as defined in a Royal Decree).

Fiscal Terms

Profits realized by companies involved with the onshore and offshore hydrocarbon E&P activities in the Netherlands and on the Dutch continental shelf are subject to both general corporation income taxation (“**CIT**”) based on CITA 1969 and State Profit Share (“**SPS**”) based on the 2003 Mining Act. Production licence turnover is subject to royalty (*cijns*) based on the 2003 Mining Act. In addition, in respect of onshore activities a fee (*afdracht aan de Provincie*) is due to provinces, based on the 2003 Mining Act.

CIT

The corporation income tax rate is currently 25%, for taxable profits of the company exceeding €200,000 (below this threshold a rate of 20% applies). The CIT tax base of a Dutch resident taxpayer includes (as a principle) all domestic and worldwide income. Examples of (industry relevant) costs that can be taken into account for CIT purposes are: (a) *cijns* (Royalties); (b) operating costs (under circumstances, this may include interest); (c) exploration costs; (d) depreciation; and (e) abandonment costs (deduction for anticipated future abandonment costs through the “abandonment provision”).

The amount of SPS which is payable after taking into account the Creditable Amount (see below under “SPS”) can also be deducted for CIT purposes.

Losses are normally available for one year carry back and nine years carry forward.

SPS

SPS is a profit based tax, specific to the upstream E&P industry. SPS is levied from the holder or co-holder of a production licence on the profit that can be allocated to the “extraction enterprise”. The profits derived from the “extraction enterprise” consist of the results that can be directly and indirectly allocated to the extraction of hydrocarbons (the so-called “ring fence”). The allocation principles have been established in practice and through case law.

The rate of SPS is 50%. In the 2003 Mining Act, reference is made to the calculation of profits for CIT purposes, whereby a correlation is created between these levies. SPS is in principle calculated in a similar manner as CIT with the exception that (most) expenses are “uplifted” by an additional 10%. In order to avoid an accumulation of CIT and SPS, a notionally calculated CIT amount (“**Creditable Amount**”) can be credited against SPS.

Losses for the purposes of the SPS calculation are available for a three years carry back and indefinite carry forward.

As per September 16, 2010 a marginal field SPS incentive applies. Provided certain conditions are met, a 25% deduction can be taken into account in respect of investments in new business assets that are used for marginal fields.

Royalties (Cijns)

For onshore production activities royalty rates based on the turnover apply. The turnover is determined by production volume (except volume used during exploration / production for processing and transport) and selling price. For offshore activities, these rates are set at 0%.

The rate is determined according to the following volume brackets:

<u>Produced volume of gas (in millions m³)</u>	<u>Produced Percentage</u>
0-200	0
200-600	2
600-1200	3
1200-2000	4
2000-4000	5
4000-8000	6
> 8000	7

<u>Produced volume of oil (in thousands m³)</u>	<u>Produced Percentage</u>
0-200	0
200-600	2
600-1200	3
1200-2000	4
2000-4000	5
4000-8000	6
> 8000	7

In addition to the rates mentioned above, the following applies:

1. The rates mentioned above will be increased by 25% if the oil prices are higher than €25 per barrel; and
2. If EBN does not participate in a licence, the rates above will be increased by 100% (regardless of the increase mentioned under 1).

Fees to the Province (afdracht aan de Provincie)

For producing hydrocarbons in onshore areas a one-time fee to the province (*Afdracht aan de provincie*) is due. The basis for levying the fee is the size of the area in use for the production installations (not the area to which the production licence pertains). The rate for 2003 was €4.50 per m². It is indexed (commensurate with a wage index as defined in a Royal Decree) and collected by the Provincial Executive.

Mining Damage Guarantee Fund

The mining companies, insofar as they are active in onshore mining activities, are under an obligation to annually contribute to the Mining Damage Guarantee Fund (*Waarborgfonds mijnbouwschade*). The fund pays out as a matter of last resort (i.e., in cases of insolvency or where the liable company has ceased to exist). It only pays out to natural persons having incurred property damage as a result of mining activities.

On September 6, 2013, around 40 Dutch private and semi-public parties reached a covenant on the development of renewable growth in the Netherlands (the “**Energy Agreement**”). The core feature of the Energy Agreement is a set of broadly supported provisions regarding energy saving, clean technology, and climate policy. The Energy Agreement implemented a comprehensive climate and energy policy programme aimed at long-term sustainability and set out agreed short to medium-term measures in 10 pillars. One of these pillars is the increase of renewable energy production from the current 4.3% to 14% in 2020, and 16% in 2023.

DIVIDEND POLICY

The Corporation does not currently anticipate paying any dividends on its Common Shares. The Corporation currently intends to utilize its earnings to finance the growth and development of its business and to otherwise reinvest in its business. Any decision to pay dividends on the Common Shares in the future will be made by the Board on the basis of the Corporation’s earnings and financial requirements as well as other conditions existing at such time. Unless the Corporation commences the payment of dividends, holders of Common Shares will not be able to receive a return on their Common Shares unless they sell them.

SELECTED FINANCIAL INFORMATION

The financial data that is presented below has been derived from the audited consolidated financial statements for the financial years ended December 31, 2017 and 2016, the audited combined carve-out from Lundin Petroleum financial statements for the Initial Oil and Gas Assets for the financial year ended December 31, 2015 (together the “**FY Financial Statements**”) and from the unaudited interim consolidated financial statements for the three and nine-month period ending on September 30, 2018 and 2017 (the “**Interim Financial Statements**”, the FY Financial Statements and the Interim Financial Statements are together referred to as the “**Financial Statements**”), incorporated by reference in the prospectus. The FY Financial Statements, which have been audited by the auditor of the Corporation as indicated in their report also incorporated reference by herein, PricewaterhouseCoopers AG, and the Interim Financial Statements, which have been reviewed by PricewaterhouseCoopers AG as indicated in their report attached to this prospectus as [Appendix 1](#), have been prepared in accordance with IFRS, as adopted by the IASB. With respect to the Interim Financial Statements, PricewaterhouseCoopers AG reported that they have applied limited procedures in accordance with International Standard on Review Engagements (ISRE) 2410. However, their review report states that they did not audit and they do not express an opinion on the Interim Financial Statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Rounding-off differences may arise in all tables.

The 2015 FY Financial Statements exclude the Discontinued Operations, since these carve-out statements were prepared for the purposes of the Spin-Off and therefore were only intended to show the results of on-going operations. In accordance with applicable accounting rules, the 2016 and 2017 FY Financial Statements and the Interim Financial Statements include certain line items related to the Discontinued Operations. Accordingly, there may be certain discrepancies in respect of comparing the 2015 FY Financial Statements to the 2016 and 2017 FY Financial Statements and the Interim Financial Statements.

Condensed Consolidated Statements of Operations

USD Thousands	Unaudited Jan – Sep 2018	Unaudited Jan – Sep 2017	Audited FY 2017	Audited FY 2016	Audited FY 2015
Revenue	342,545	148,354	203,001	209,880	172,094
Cost of sales					
Production costs	(127,046)	(47,063)	(64,437)	(59,155)	(41,474)
Depletion and decommissioning costs	(71,006)	(40,549)	(54,555)	(85,187)	(92,573)
Depreciation of other assets	(23,538)	(23,713)	(31,629)	(31,073)	(23,685)
Exploration and business development costs	(402)	(1,906)	(3,786)	(14,141)	(37,638)
Impairment costs	–	164	164	(125,963)	(191,758)
Gross profit/(loss)	120,553	35,287	48,758	(105,639)	(215,034)

Other income	–	–	–	4,804	–
Sale of asset	–	–	–	(3,452)	–
General, administration and depreciation expenses	(9,912)	(6,325)	(10,400)	(1,931)	(18,046)
Profit/(loss) before financial items	110,641	28,962	38,358	(106,218)	(233,080)
Finance income	889	79	94	19,132	54,337
Finance costs	(28,381)	(12,795)	(15,001)	(3,747)	(3,826)
Net financial items	(27,492)	(12,716)	(14,907)	15,385	50,511
Profit/(loss) before tax	83,149	16,246	23,451	(90,833)	(182,569)
Income tax	(8,851)	(2,500)	(728)	(4,887)	1,004
Net result	74,298	13,746	22,723	(95,720)	(181,565)
Net result attributable to:					
Shareholders of the Corporation	74,277	13,741	22,718	(95,728)	(181,571)
Non-controlling interest	21	5	5	8	6
	74,298	13,746	22,723	(95,720)	(181,565)
Earnings per share – USD ¹	0.84	0.13	0.23	(0.84)	(1.60)
Earnings per share fully diluted – USD ¹	0.83	0.13	0.23	(0.84)	(1.60)

¹ For comparative purposes, the Corporation's common shares issued under the Spin-Off, have been assumed to be outstanding as of the beginning of each period to the Spin-Off.

Condensed Consolidated Statements of Comprehensive Income/(Loss)

USD Thousands	Unaudited Jan – Sep 2018	Unaudited Jan – Sep 2017	Audited FY 2017	Audited FY 2016	Audited FY 2015
Net result	74,298	13,746	22,723	(95,720)	(181,565)
Other comprehensive income/(loss):					
Items that may be reclassified to profit or loss:					
Cash flow hedges	(1,686)	–	1,292	–	–
Currency translation difference	(2,457)	(5,116)	(3,374)	–	10,034
Total comprehensive income/(loss)	70,155	8,630	20,641	(95,720)	(171,531)
Total comprehensive income/(loss) attributable to:					
Shareholders of the Corporation	70,138	8,611	20,620	(95,728)	(171,537)
Non-controlling interest	17	19	21	8	6
	70,155	8,630	20,641	(95,720)	(171,531)

Condensed Consolidated Balance Sheets

USD Thousands	Unaudited Sept 30, 2018	Unaudited Sept 30, 2017	Audited December 31, 2017	Audited December 31, 2016	Audited December 31, 2015
ASSETS					
Non-current assets					
Exploration and evaluation assets	9,151	7,426	7,380	2,904	137,221
Property, plant and equipment, net	690,709	306,157	312,401	317,808	382,918
Other tangible fixed assets, net	99,044	130,339	123,051	152,157	186,612
Financial assets	3	5	5	5	5
Deferred tax assets	2,796	10,595	12,398	12,049	12,331
Total non-current assets	801,703	454,522	455,235	484,923	719,087
Current assets					
Inventories	27,644	21,740	24,611	25,067	31,005
Trade and other receivables	74,440	77,224	74,794	48,226	40,629
Derivative instruments	28	–	1,372	–	–
Current tax	7,182	22	20	406	3,470
Cash and cash equivalents	8,135	17,759	33,679	13,410	24,373
Total current assets	117,429	116,745	134,476	87,109	99,477
TOTAL ASSETS	919,132	571,267	589,711	572,032	818,564
EQUITY AND LIABILITIES					
Shareholders' equity	376,660	294,083	307,166	405,348	592,889
Non-controlling interest	(207)	(226)	(224)	(252)	(277)
Net shareholders equity / Net Corporation investment	376,453	293,857	306,942	405,096	592,612
Non-current liabilities					
Financial liabilities	216,891	64,020	59,267	–	–
Provisions	174,501	99,107	105,887	93,581	113,661
Deferred tax liabilities	58,799	53,213	53,943	46,616	49,316
Total non-current liabilities	450,191	216,340	219,097	140,197	162,977
Current liabilities					
Trade and other payables	76,185	55,617	57,388	22,924	62,530
Provisions	13,640	5,304	6,025	3,815	–
Derivative instruments	460	–	–	–	–
Current tax liabilities	2,203	149	259	–	445
Total current liabilities	92,488	61,070	63,672	26,739	62,975
TOTAL EQUITY AND LIABILITIES	919,132	571,267	589,711	572,032	818,564

Condensed Consolidated Statements of Cash Flows

USD Thousands	Unaudited	Unaudited	Audited	Audited	Audited
	Jan – Sep 2018	Jan – Sep 2017	FY 2017	FY 2016	FY 2015
Cash flow from operating activities					
Net result	74,298	13,746	22,723	(95,720)	(181,565)
Adjustments for non-cash related items:					
Depletion, depreciation and amortization	94,966	65,172	87,162	117,510	117,403
Exploration costs	206	30	917	14,141	37,638
Impairment costs	–	(164)	(164)	125,963	191,758
Current tax	(5,197)	79	196	(2,199)	1,699
Deferred tax	14,048	2,421	532	7,086	(2,703)
Capitalized financing fees	2,525	405	700	–	–
Foreign currency exchange	7,715	8,719	8,922	(19,070)	(53,621)
Interest expense	11,820	720	1,378	8	19
Result on sale of the Singa field, Indonesia	–	–	–	3,452	–
Unwinding of asset retirement obligation discount	7,035	2,641	3,674	3,571	3,174
Decommissioning costs paid	(5,976)	(4,251)	(5,169)	(9,710)	–
Share-based costs	2,799	2,150	3,224	–	1,015
Other	444	(613)	(1,058)	1,608	–
Cash flow generated from operations (before working capital adjustments and income taxes)	204,683	91,055	123,037	146,640	114,817
Changes in working capital	22,767	18,828	20,344	(51,790)	(44,992)
Interest paid	(11,843)	–	–	–	(4)
Income taxes paid	–	469	476	4,880	(3,044)
Net cash flow from operating activities	215,607	110,352	143,857	99,730	66,777
Cash flow used in investing activities					
Investment in oil and gas properties	(22,677)	(11,077)	(23,077)	(34,905)	(177,055)
Investment in other fixed assets	(936)	(123)	(546)	1,724	(31,122)
Deposit for business acquisition	–	(32,632)	(32,632)	–	–
Acquisition of the Suffield Assets	(373,375)	–	–	–	–
Disposal of fixed assets	–	–	–	23,770	–
Other payments	(620)	–	–	(206)	(2,976)
Net cash (outflow) from investing activities	(397,608)	(43,832)	(56,255)	(9,617)	(211,153)
Cash flow from financing activities					
Borrowings	162,513	65,000	60,000	–	–
Paid financing fee	(6,425)	(1,329)	(1,391)	–	–
Cash funded from / (to) Lundin Petroleum	–	(31,394)	(31,394)	(102,774)	134,893
Share purchase	–	(90,632)	(90,632)	–	–
Net cash (outflow) from financing activities	156,088	(58,355)	(63,417)	(102,774)	134,893
Change in cash and cash equivalents	(25,913)	8,165	24,185	(12,661)	(9,483)
Cash and cash equivalents at the beginning of period	33,679	13,410	13,410	29,488 ¹	25,108
Currency exchange difference in cash and cash equivalents	369	(3,816)	(3,916)	(3,417)	8,748

Cash and cash equivalents at the end of the period	8,135	17,759	33,679	13,410	24,373¹
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¹ The difference in cash and cash equivalents between end of FY 2015 and beginning of FY 2016 is due to the spin-off and originates from the Discontinued Operations.

Condensed Consolidated Statement of Changes in Equity as at September 30, 2018

USD Thousands	Parental investment	Share capital	Share premium	Retained earnings	CTA	IFRS 2 reserve	MTM reserve	Total	Non-controlling interest	Total equity
Balance at January 1, 2017	405,348	–	–	–	–	–	–	405,348	(252)	405,096
Parent Company net investment/(proceeds)	(31,394)	–	–	–	–	–	–	(31,394)	7	(31,387)
Net result prior to Spin-Off	(3,362)	–	–	–	–	–	–	(3,362)	9	(3,353)
Balance at Spin-Off date	370,592	–	–	–	–	–	–	370,592	(236)	370,356
Formation of the Corporation	(410,000)	86,342	323,658	–	–	–	–	–	–	–
Valuation adjustments ¹	39,408	–	(39,408)	–	–	–	–	–	–	–
Net result after formation of the Corporation	–	–	–	17,103	–	–	–	17,103	(4)	17,099
Currency translation difference	–	–	–	–	(5,301)	171	–	(5,130)	14	(5,116)
Purchase and cancellation of common shares	–	(19,436)	(71,196)	–	–	–	–	(90,632)	–	(90,632)
Share based payments	–	–	–	–	–	2,150	–	2,150	–	2,150
Balance at September 30, 2017	–	66,906	213,054	17,103	(5,301)	2,321	–	294,083	(226)	293,857
Balance at January 1, 2018	–	66,906	213,054	26,080	(3,701)	3,455	1,372	307,166	(224)	306,942
Net result	–	–	–	74,277	–	–	–	74,277	21	74,298
Cash flow hedge	–	–	–	–	–	–	(1,686)	(1,686)	–	(1,686)
Currency translation difference	–	–	–	–	(2,463)	11	(1)	(2,453)	(4)	(2,457)
Total comprehensive income	–	–	–	74,277	(2,463)	11	(1,687)	70,138	17	70,155
Share based payments	–	–	(1,487)	–	–	843	–	(644)	–	(644)
Balance at September 30, 2018	–	66,906	211,567	100,357	(6,164)	4,309	(315)	376,660	(207)	376,453

¹ Arises due to the use of the predecessor method of accounting

CAPITAL STRUCTURE, INDEBTEDNESS AND RELATED INFORMATION

Financial Position

The Corporation is in a financially strong position with its producing asset base in Canada, Malaysia and Europe and is expected to generate free cash flow from its operations in the medium term. In addition, the Corporation and certain of the IPC Subsidiaries have entered into the Credit Facilities. The Corporation expects to be able to leverage its existing assets to raise capital for any growth opportunities through acquisitions.

Capitalization and Net Indebtedness

	(unaudited)
Shareholders' equity and debt as at September 30, 2018	USD thousands
Guaranteed	-
Secured	78,388
Unguaranteed and unsecured	14,100
Total current debt	92,488
Guaranteed	-
Secured ¹	216,891
Unguaranteed and unsecured	233,300
Total non-current debt	450,191
Total shareholders' equity	376,453
TOTAL EQUITY AND DEBT	919,132

¹ The Credit Facilities are secured by packages customary for these types of facilities. See "Financing and Credit Facilities" below.

Net interest-bearing indebtedness

Net financial debt or net financial assets as at September 30, 2018	USD thousands
A. Cash	8,135
B. Cash equivalents	-
C. Trading securities	-
D. Liquidity (A + B + C)	8,135
E. Current financial receivables	-
F. Current bank debt	-
G. Current portion of non-current debt	-
H. Other current financial debt	-
I. Total current financial debt (F + G + H)	-
J. Net current financial Indebtedness (I)-(E)-(D)	8,135
K. Non-current bank loans	221,352
L. Bonds issued	-
M. Other non-current loans	-
N. Non-current financial indebtedness (K + L + M)	221,352
O. Net financial indebtedness (J + N)	213,217

Working Capital

In the opinion of the Board, the Corporation's working capital is sufficient for the Corporation's requirements for the next twelve months.

Principal Ongoing and Future Investments

In February 2018, the Corporation announced estimated net 2018 oil and gas capital expenditures of USD 32.2 million with 34% allocated to Canada for oil drilling and maintenance capital, 18% allocated to France for well reactivations and maintenance capital, 5% allocated to the Netherlands for one development well and maintenance capital, and 44% allocated to Malaysia for the recently completed infill drilling campaign. The capital expenditure programme is discretionary (other than in Malaysia where the drilling campaign is completed) and will be funded from cash flow from the Oil and Gas Assets.

In Malaysia, the Corporation has taken the decision to approve additional capital expenditure of USD 6.5 million (net) to drill the Keruing (formerly I35) prospect in late 2018, subject to Petronas approval and rig contracting. Best estimate gross unrisks prospective resources are estimated at 7.2 MMboe gross (5.4 MMboe net). The Keruing prospect is only two kilometres from the Bertam field facilities and would be a high value tie back candidate in the success case. The unrisks prospective resource numbers represent 60% of the year-end 2P gross reserves for the Bertam field of 12.1 MMboe gross (9.1 MMboe net).

In November 2018, IPC announced that the full year 2018 capital expenditure guidance is maintained at USD 44.0 million.

As of the date of the prospectus, the Corporation has not resolved upon, or committed to make any other investments than stated above.

Property, Plant and Equipment

Property, plant and equipment primarily represents the Corporation's share of oil and gas installations used for the extraction and production of hydrocarbons, including offshore and onshore platforms and pipelines and the FPSO Bertam in Malaysia. The Corporation, through Lundin Services Ltd., leases the FPSO to the Bertam field co-venturers at a fixed daily rate under a lease contract with an initial six year period (which commenced in April 2015) and options to extend the term. See "Management's Discussion and Analysis". There are no environmental issues that may affect the Corporation's utilization of the tangible fixed assets.

Financing and Credit Facilities

On April 20, 2017, and as amended on December 20, 2017, the Corporation and certain of the IPC Subsidiaries entered into a senior secured USD 200 million reserve-based lending credit facility with a syndicate of banks led by BNP Paribas, Bank of Montreal, London Branch, Australia and New Zealand Banking Group (ANZ), ABN AMRO Bank and Commbank Europe (the “**International Facility**”). The International Facility is a revolving facility with a final maturity date fall on the earlier of June 22, 2022 and the date the reserves of the borrowing base assets reach certain limits.

The International Facility is secured by a package customary for this type of facility, including but not limited to: (a) an on-demand guarantee and indemnity from the Corporation and the IPC Subsidiaries who are party to it; (b) pledges over all of the shares of certain of the IPC Subsidiaries; and (c) pledges and/or assignment of the relevant facility bank accounts, intercompany loans, insurance policies and hedging arrangements.

The International Facility contains a provision entitling the lenders to cancel the facility in the event any person, or group of persons acting in concert, gains control of the Corporation (“control being defined as *inter alia* when a person, or a group of persons acting in concert, holds beneficially more than 50% of the issued share capital of the Corporation). The International Facility further contains certain financial covenants.

On January 5, 2018 IPC Alberta Ltd (“**IPC Alberta**”) entered into a senior secured CAD 250 million credit facility with a syndicate of banks including Bank of Montreal, ABN AMRO Capital USA, Canadian Imperial Bank of Commerce, Commonwealth Bank of Australia, Export Development Canada and Royal Bank of Canada (the “**First Lien Credit Facility**”). The First Lien Credit Facility amount reduces to CAD 200 million by the end of 2018. The final maturity date of the First Lien Credit Facility is January 5, 2020. At the request of IPC Alberta, the commitment of each participating bank may be extended, at the discretion of the respective bank, once every year for a period of up to a further 364 days. Furthermore, on the same day IPC Alberta entered into a secured CAD 60 million credit facility with Bank of Montreal (the “**Second Lien Credit Facility**”). In August 2018, IPC fully repaid and cancelled the Second Lien Credit Facility.

The First Lien Credit Facility contains certain covenants and guarantees and security which includes, but is not limited to: (a) an on-demand guarantee from the Corporation and material subsidiaries of IPC Alberta; (b) pledges over all of the shares in IPC Alberta and its subsidiary Suffield Industry Range Control Ltd; and (c) debentures from IPC Alberta and its material subsidiaries in the amount of CAD 1 billion, granting a lien in and to all of its present and after required real and personal assets, together with a pledge of the debenture in respect thereof.

The First Lien Credit Facility contains provisions entitling the Lenders to cancel the facility foremost in the event any person, or group of persons acting in concert, gains control of more than 30% of the issued share capital of the Corporation.

The International Facility and the First Lien Credit Facility are collectively referred to in this prospectus as the “Credit Facilities”. Net debt as at September 30, 2018 was USD 213 million after deducting cash balances from the amount drawn under the Credit Facilities.

With the availability of the Credit Facilities and the cash resources, other current assets and cash flow from operations of the Oil and Gas Assets, the Corporation does not foresee a need to obtain further credit to finance the Corporation’s operations and capital expenditures program for the Oil and Gas Assets over the next year. In the event the Corporation would pursue any transaction opportunities in accordance with the Corporation’s strategy, the Corporation may need to raise debt or equity financing to finance such transactions.

IPC’s total long-term debt as at September 30, 2018 was USD 221,352 thousand and BlackPearl’s total long-term debt at the same date was USD 96,057 thousand. The fair value of the long term debt as recognized by BlackPearl has been adjusted for the capitalized borrowing costs for an amount of USD 1,106 thousand to recognize the full outstanding liability under the BlackPearl credit facilities being CAD 125,000 thousand (USD 96,057 thousand). After giving effect to the Arrangement, IPC’s total long-term debt as per September 30, 2018 USD 317,409 thousand.

Recent Trends in the Industry

The oil and gas industry continues to remain dynamic in response to global macroeconomic trends, including global supply of oil stocks, transportation costs, US shale production, emerging market demand, and production quotas imposed by the OPEC. As a result of an increased supply and reduced demand growth, the oil price fell from a peak of around USD 115/bbl in June 2014 to USD 26/bbl in January 2016. Since that time, the oil price has been volatile. From the middle of 2016 until near the end of 2017, the oil price ranged around USD 50/bbl, and then has fluctuated between USD 60 and 85/bbl in 2018.

Management believes that the recent low oil price environment has driven asset divestitures by exploration and production companies struggling with liquidity issues, while also limiting the ability of balance sheet-constrained competitors to acquire such assets. Management's recent experience indicates that the oil majors and large international oil and gas companies are increasingly focused on larger volumes in new frontier basins, not long-life, low decline assets in established basins, and will continue to dispose of high quality assets to meet their public divestment undertaking.

The Oil and Gas Assets have continued to perform well during 2018 in line with expectations, with excellent facility uptime.

Significant Changes after September 30, 2018

On October 10, 2018, IPC and BlackPearl announced that IPC and BlackPearl entered into the Arrangement Agreement, pursuant to which IPC agreed to acquire all of the BlackPearl Shares. Under the terms of the Arrangement, the BlackPearl Shareholders will be entitled to receive 0.22 of an IPC Share for each BlackPearl Share held.

In November 2018, IPC announced that net debt reduced to USD 213 million as at September 30, 2018.

Upon completion of the Arrangement, current IPC Shareholders are expected to collectively own approximately 54%, and former BlackPearl Shareholders are expected to collectively own approximately 46%, of the then outstanding IPC Shares.

There have been no other significant changes in the operations or operating results of the Corporation since September 30, 2018 up to the date of this prospectus.

Financial Risk Management

As an international oil and gas exploration and production company, IPC is exposed to financial risks such as interest rate risk, currency risk, credit risk, liquidity risks as well as the risk related to the fluctuation in oil and gas prices. The Group seeks to control these risks through sound management practice and the use of internationally accepted financial instruments, such as oil or gas price, interest rate or foreign exchange hedges as the case may be. Financial instruments will be solely used for the purpose of managing risks in the business.

Management believes that the cash resources, other current assets and cash flow from operations are sufficient to finance the Group's operations and capital expenditures program over the next year.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to meet its committed financial liabilities and work program requirements in order to create shareholder value. The Group may put in place new credit facilities, repay debt, or pursue other such restructuring activities as appropriate.

Management of the Corporation will continuously monitor and manage the Group's capital, liquidity and net debt position in order to assess the requirement for changes to the capital structure to meet the objectives and to maintain flexibility.

Price of Oil and Gas

Prices of oil and gas are affected by the normal economic drivers of supply and demand as well as by financial investors and market uncertainty. Factors that influence these prices include operational decisions, prices of competing fuels, natural disasters, economic conditions, transportation constraints, political instability or conflicts or actions by major oil exporting countries. Price fluctuations will affect the Group's financial position.

Based on analysis of the circumstances, the management assesses the benefits of forward hedging monthly sales contracts for the purpose of establishing cash flow. If management believes that a hedging contract will appropriately help manage cash flow then it may choose to enter into a commodity price hedge.

Currency Risk

The Group's policy on currency rate hedging is, in the case of currency exposure, to consider fixing the rate of exchange. The Group will take into account the currency exposure, current rates of exchange and market expectations in comparison to historic trends and volatility in making the decision to hedge.

Interest Rate Risk

Interest rate risk is the risk to earnings due to uncertain future interest rates on borrowings. The Group will take into account the level of external debt, current interest rates and market expectations in comparison to historic trends and volatility in making the decision to hedge.

Credit Risk

The Group may be exposed to third party credit risk through contractual arrangements with counterparties who buy the Group's crude products. The Group's policy is to limit credit risk by only entering into oil and gas sales agreements with reputable and creditworthy oil and gas and trading companies. Where it is determined that there is a credit risk for oil and gas sales, the Group's policy is to require credit enhancement from the purchaser. The Group's policy on joint venture parties is to rely on the provisions of the underlying joint operating agreements to take possession of the licence or the joint venture partner's share of production for non-payment of cash calls or other amounts due. In addition, cash is to be held and transacted only through major banks.

Other Information

At the date of this prospectus, the Corporation is not aware of any issues regarding public, economic, fiscal, monetary or other political actions which, direct or indirect, could have a significant effect on the Corporation's operations, apart from what is stated in the section "Risk Factors".

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The main business of IPC is exploring for, developing and producing oil and gas. IPC holds a portfolio of oil and gas production assets and development projects in Canada, Malaysia and Europe with exposure to growth opportunities. IPC also acquired certain legacy non-producing interests and non-active entities as part of the Spin-Off, which are in the process of being relinquished and liquidated.

The MD&A for the three and nine months ended September 30, 2018 (the "**Interim MD&A**") is intended to provide an overview of the Group's operations, financial performance and current and future business opportunities. The MD&A for the three and nine months ended September 30, 2018 should be read in conjunction with the Interim Financial Statements.

The MD&A for the year ended December 31, 2017 compared to year ended December 31, 2016 and for the year ended December 31, 2016 compared to year ended December 31, 2015 (the "**FY MD&A**") has been prepared in respect of the Oil and Gas Assets only and consequently covers the results of Lundin Petroleum's Malaysian, French and Dutch operations for the years ended December 31, 2017, 2016 and 2015 and the financial position as at December 31, 2017 and 2016. The MD&A for the year ended December 31, 2017 compared to year ended December 31, 2016 and for the year ended December 31, 2016 compared to year ended December 31, 2015 should be read in conjunction with the FY Financial Statements.

Basis of Preparation

The Interim MD&A and Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Historically, financial statements were not prepared by IPC for the assets that were spun-off as they were not operated as a separate business by Lundin Petroleum and accordingly, prior to the Spin-Off date, the results have been carved out from the historical consolidated financial statements of Lundin Petroleum. Refer to the Interim Financial Statements for additional information on the basis of preparation.

The FY Financial Statements relating to the Initial Oil and Gas Assets have been carved out from Lundin Petroleum's historical consolidated financial statements for the Malaysian, French and Dutch operations prior to the Reorganization and prepared in accordance with prevailing IFRS. The presentation currency of the financial statements is US dollars. Refer to the FY Financial Statements for additional information on the Basis of Preparation.

The 2015 FY Financial Statements exclude the Discontinued Operations, since these carve-out statements were prepared for the purposes of the Spin-Off and therefore were only intended to show the results of on-going operations. In accordance with applicable accounting rules, the 2016 and 2017 FY Financial Statements and the Interim Financial Statements include certain line items related to the Discontinued Operations. Accordingly, there may be certain discrepancies in respect of comparing the 2015 FY Financial Statements to the 2016 and 2017 FY Financial Statements and the Interim Financial Statements.

Critical Accounting Estimates and Judgments

Management of the Corporation has to make estimates and judgments when preparing the financial statements. Uncertainties in the estimates and judgments could have an impact on the carrying amount of assets and liabilities and the financial result.

The effects of changes in estimates do not give rise to prior year adjustments and are treated prospectively over the estimated remaining commercial reserves of each field. While the management uses its best estimates and judgement, actual results could differ from these estimates.

The most important estimates and judgments in relation thereto are set out below.

Estimates of Oil and Gas Reserves

Estimates of oil and gas reserves are used in the calculations for impairment tests and accounting for depletion and site restoration. Standard recognized evaluation techniques are used to estimate 2P Reserves. These techniques take into account the future level of development required to produce the reserves. An independent qualified reserves auditor reviews these estimates. The estimation of reserves is a subjective process. Estimates are based on engineering data, projected future rates of production, and the timing of future expenditures, all of which are subject to numerous uncertainties and various interpretations. Reserves estimates can be revised upward or downward based on the results of future drilling, testing, production levels and economics of recovery.

Changes in estimates of oil and gas reserves, resulting in different future production profiles, will affect the discounted cash flows used in impairment testing, the anticipated date of site decommissioning and restoration and the depletion charges in accordance with the unit of production method. Changes in estimates of oil and gas reserves could, for example, result from additional drilling, observation of long-term reservoir performance or changes in economic factors such as oil price and inflation rates.

Impairment of Oil and Gas Properties

At each balance sheet date, an assessment is made as to whether there is an indication that an asset may be impaired. Where an indicator of impairment exists or when impairment testing for an asset is required, the formal assessment of the recoverable amount is made. Where the carrying value of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In determining fair value less costs of disposal, recent market transactions are considered, if available. In the absence of such transactions, an appropriate valuation model is used. Value in use is calculated by discounting estimated future cash flows to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When the recoverable amount is less than the carrying value an impairment loss is recognized with the expensed charge to the income statement.

Key assumptions in the impairment models relate to prices and costs that are based on forward curves and the related long-term corporate assumptions. Annual impairment tests are performed on an asset basis and in conjunction with the annual reserves audit process. The calculation of the impairment requires the use of estimates. The assumptions that management uses to estimate the future cash flows for value-in-use are expected future oil and gas prices and expected production volumes. These assumptions, and the judgments of management that are based on them, are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates. The discount rate applied is reviewed throughout the year.

Provision for Asset Retirement Obligation

Asset retirement obligations are legal obligations of the Corporation to retire tangible long-lived assets such as producing well sites and offshore production platforms amounts used in recording a provision for asset retirement obligations are estimates based on current legal and constructive requirements and current technology and price levels for the removal of facilities and decommissioning. Due to changes in relation to these items, the future actual cash outflows in relation to the site decommissioning and restoration can be different from the amount recorded as provision for asset retirement obligations. To reflect the effects of changes in legislation, regulatory requirements, technology and relevant price levels, the carrying amounts of asset retirement obligation provisions are reviewed on a regular basis.

On fields where there is an obligation to contribute to asset retirement obligation costs, a provision is recorded to recognise the future commitment. An asset is created, as part of the oil and gas property, to represent the discounted value of the anticipated asset retirement obligation liability and depleted over the life of the field on a

unit of production basis. The corresponding accounting entry to the creation of the asset recognizes the discounted value of the future liability. The discount applied to the anticipated asset retirement obligation liability is subsequently released over the life of the field and is charged to financial expenses. Changes in asset retirement obligation costs and reserves are treated prospectively and consistent with the treatment applied upon initial recognition.

These estimates will impact net earnings through accretion of the asset retirement obligation in addition to depletion of the asset retirement cost included in property, plant and equipment. Actual expenditures incurred are charged against the accumulated asset retirement obligation.

Performance Measurement

To measure financial performance, management's primary focus is on the operating results and capital expenditure at a country and asset level. Production and sales volumes and revenues are monitored and managed on a hydrocarbon product level, as is common in the oil and gas industry.

Key Performance Indicators

	Unaudited	Unaudited	Audited	Audited	Audited
USD Thousands	Jan – Sep 2018	Jan – Sep 2017	FY 2017	FY 2016	FY 2015
Revenue	342,545	148,354	203,001	209,880	172,094
Gross profit/(loss)	120,553	35,287	48,758	(105,639)	(215,034)
Net result	74,298	13,746	22,723	(95,720)	(181,565)
Operating cash flow ¹	220,696	101,212	138,368	152,924	128,921
EBITDA ¹	206,009	95,876	129,259	150,043	113,720
Net debt / (net cash) ¹	213,217	47,241	26,321	(13,410)	(24,373)

¹ Non-IFRS measures (unaudited)

In addition to using financial measures prescribed under IFRS, references are made in this prospectus to "operating cash flow", "EBITDA", "operating costs" and "net debt", which are non-IFRS measures. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other public companies. Non-IFRS measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

The Corporation uses non-IFRS measures to provide investors with supplemental measures. Management also uses non-IFRS measures internally in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the Group's ability to meet its future capital expenditure and working capital requirements. Management believes these non-IFRS measures are important supplemental measures of operating performance because they highlight trends in the core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management believes such measures allow for assessment of the Group's operating performance and financial condition on a basis that is more consistent and comparable between reporting periods. The Corporation also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of public companies. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes.

"Operating cash flow" is calculated as revenue less production costs less current tax. Management believes that operating cash flow can be used to analyze the amount of cash that is being generated available for capital investment and servicing debt.

"Operating cost" is calculated as production costs excluding any change in the inventory position and the cost of blending and is used to analyze the cash cost of producing the oil and gas volumes.

"EBITDA" is calculated as net result before financial items, taxes, depletion of oil and gas properties, exploration costs, impairment costs and depreciation and adjusted for non-recurring profit/loss on sale of assets and other income. Management believes that EBITDA is an important supplemental measure of operating performance to analyze operating earnings before non-operational expenses and non-cash or extraordinary charges.

“Net debt” is calculated as bank loans less cash and cash equivalents. “Net cash” is cash and cash equivalents less bank loans. Management believes that net debt/net cash is a useful calculation of a company’s debt position for leverage analysis and capital allocation decisions.

Reconciliation of Non-IFRS Measures

Operating cash flow

The following table sets out how operating cash flow is calculated from figures shown in the Financial Statements:

	Unaudited	Unaudited	Audited	Audited	Audited
USD Thousands	Jan – Sep 2018	Jan – Sep 2017	FY 2017	FY 2016	FY 2015
Revenue	342,545	148,354	203,001	209,880	172,094
Production costs	(127,046)	(47,063)	(64,437)	(59,155)	(41,474)
Current tax	5,197	(79)	(196)	2,199	(1,699)
Operating cash flow (unaudited)	220,696	101,212	138,368	152,924	128,921

EBITDA

The following table sets out the reconciliation from net result from the face of the statement of operations to EBITDA in the Financial Statements:

	Unaudited	Unaudited	Audited	Audited	Audited
USD Thousands	Jan – Sep 2018	Jan – Sep 2017	FY 2017	FY 2016	FY 2015
Net result	74,298	13,746	22,723	(95,720)	(181,565)
Income tax	8,851	2,500	728	4,887	(1,004)
Depletion	71,006	40,549	54,555	85,187	92,573
Depreciation of other assets	23,538	23,713	31,629	31,073	23,685
Exploration and business development costs	402	1,906	3,786	14,141	37,638
Impairment costs	–	(164)	(164)	125,963	191,758
Depreciation included in general, administration and depreciation expenses ¹	422	910	1,095	1,249	1,146
Sale of assets (non-recurring)	–	–	–	3,452	–
Other income	–	–	–	(4,804)	–
Net financial items	27,492	12,716	14,907	(15,385)	(50,511)
EBITDA (unaudited)	206,009	95,876	129,259	150,043	113,720

¹ Item is not shown in the Financial Statements (unaudited)

Operating costs

The following table sets out how operating costs is calculated:

USD Thousands	Unaudited	Unaudited	Audited	Audited	Audited
	Jan – Sep 2018	Jan – Sep 2017	FY 2017	FY 2016	FY 2015
Production costs	127,046	47,063	64,437	59,155	41,474
Cost of blending ¹	(19,834)	–	–	–	–
Change in inventory position	6,480	(4,583)	(3,688)	994	9,776
Operating costs (unaudited)	113,692	42,480	60,749	60,149	51,250

¹ Cost of blending represents the contracted purchase of diluent used for blending net of proceeds from the sale of surplus diluent.

Net debt / (net cash)

The following table sets out how net debt / (net cash) is calculated from figures shown in the Financial Statements:

USD Thousands	Unaudited	Unaudited	Audited	Audited	Audited
	Sept 30, 2018	Sept 30, 2017	December 31, 2017	December 31, 2016	December 31, 2015
Bank loans	221,352	65,000	60,000	– ¹	– ¹
Cash and cash equivalents	(8,135)	(17,759)	(33,679)	(13,410)	(24,373)
Net debt / (net cash) (unaudited)	213,217	47,241	26,321	(13,410)	(24,373)

¹ IPC was spun-off from Lundin Petroleum with no external bank loans

The Period January 1, 2018 – September 30, 2018 Compared to the Period January 1, 2017 – September 30, 2017

Operations Review

Operations Overview

Reserves and Resources

The IPC producing assets more than quadrupled to 129.1 MMboe of 2P reserves as at December 31, 2017 (after giving effect to the Suffield Acquisition), compared to 29.4 MMboe of 2P reserves as at December 31, 2016, in each case as certified by independent third party reserves auditors. The reserves life index (RLI) as at December 31, 2017 (after giving effect to the Suffield acquisition in Canada) is approximately 11 years. Best estimate contingent resources as at December 31, 2017 more than tripled to 63.4 MMboe (unrisked), including the resources acquired in Canada and two additional infill drilling locations in the Bertam field in Malaysia.

IPC remains focused on organic growth and is maturing opportunities across all our operated assets. In Canada, there is a program of oil drilling activities in Q4 2018, complemented by gas optimization activities aimed at reducing decline rates. In Malaysia, we completed the second phase of infill drilling in the first quarter with two infill wells on stream and producing ahead of expectations. We are also finalizing plans to drill the Keruing prospect. In France, work continues to mature the Villeperdue West and Vert La Gravelle development opportunities towards sanction and execution as well as maturing the deeper prospectivity within the new 3D seismic area that was acquired in late 2017.

Production

Production for the IPC assets during the third quarter of 2018 was at the high end of CMD guidance at 35.2 Mboepd. Integration of the Canadian assets has delivered a significant increase in production volumes for IPC relative to 2017 levels. In Malaysia, the addition of the two infill wells has increased production from the field relative to the equivalent period in 2017. The production during the reporting period with comparatives was comprised as follows:

Production in Mboepd	Three months ended September 30		Nine months ended September 30		12 months ended December 31
	2018	2017	2018	2017	2017
Crude oil					
Canada	6.4	–	6.3	–	–
Malaysia	7.0	5.7	7.5	6.7	6.7
France	2.5	2.4	2.5	2.5	2.4
Total crude oil production	15.9	8.1	16.3	9.2	9.1
Gas					
Canada	18.6	–	17.3	–	–
Netherlands	0.7	1.1	0.8	1.2	1.2
Total gas production	19.3	1.1	18.1	1.2	1.2
Total production	35.2	9.2	34.4	10.4	10.3
Quantity in MMboe	3.24	0.85	9.38	2.85	3.76

CANADA

Production in Mboepd	WI	Three months ended September 30		Nine months ended September 30		12 months ended December 31
		2018	2017	2018	2017	2017
- Crude Oil	100%	6.4	–	6.3	–	–
- Gas	99.7% ¹	18.6	–	17.3	–	–
Canada		25.0	–	23.6	–	–

¹ On a well count basis.

Production

Net production from the Canadian assets during the third quarter was above expectation at almost 25.0 Mboepd with continued excellent oil facility uptime performance. Gas production outperformed expectation due to the successful gas optimization campaign results delivered year to date. As at the end of the third quarter, over 5,400 wells have been swabbed compared to the original budget for the full year 2018 of 5,500 wells with a further 193 of 200 planned siphon string / coil tubing optimizations completed.

Organic Growth and Capital Projects

A program of drilling and optimization activities was sanctioned by IPC as a part of the operational and capital budgets for 2018 and we remain on track to deliver the programs as planned and announced at our CMD in February. New drilling in the oil pools in Canada commenced after the reporting period in the fourth quarter of 2018 which is the first drilling activity on the Suffield Assets in more than four years. Required regulatory approvals are well underway to support continued drilling through to the end of 2019, with the inventory of well locations beyond that being actively matured.

A review of the opportunities to increase production from the shallow gas wells has been ongoing since the start of 2018 and the optimization program has already shown positive production effects. In addition a capital program has been approved to target well recompletions, stimulation activities and activation of reservoir zones which are currently not on production. Capital activities on the gas side have been minimal since 2010 and there is opportunity to increase gas production with minimal investment.

In the third quarter of 2018, a project to reroute certain produced gas volumes was successfully executed to allow almost 100 percent of IPC's gas production in Canada to be sold at Empress pricing rather than AECO pricing. As the Empress price has had a premium to AECO over the course of 2018, this project has a payout of around 6 months based on the average price differential in 2018.

SOUTH EAST ASIA

Malaysia

Production in Mboepd	WI	Three months ended September 30		Nine months ended September 30		12 months ended December 31
		2018	2017	2018	2017	2017
Bertam	75%	7.0	5.7	7.5	6.7	6.7

Production

Net production from the Bertam field on Block PM307 during the third quarter of 2018 was ahead of expectation at 7.0 Mboepd. Strong reservoir performance was primarily attributed to production from the infill wells (A-15, A-16 and A-17), combined with high facility uptime during the third quarter of 2018 of above 99 percent.

Organic Growth

Following positive results from the 2016 and 2018 infill drilling programs and continued good reservoir performance, IPC is encouraged to mature a third phase of infill drilling on the Bertam field for execution in 2019. Up to three drilling locations have been identified and work continues to mature additional locations.

In addition, IPC is finalising plans to drill the Keruing prospect in late 2018, subject to Petronas approval and rig contracting. It is possible this may be deferred into the first quarter of 2019 as IPC evaluates options to combine Keruing drilling with a pilot well in the A14 location to de-risk the 2019 infill drilling program. The development solution in the Keruing success case is expected to be a tie-back to the Bertam FPSO and utilization of the existing facilities, leading to a high value project.

Continental Europe

Production in Mboepd	WI	Three months ended September 30		Nine months ended September 30		12 months ended December 31
		2018	2017	2018	2017	2017
France						
- Paris Basin	100% ¹	2.0	2.0	2.0	2.1	2.0
- Aquitaine	50%	0.5	0.4	0.5	0.4	0.4
Netherlands	Various	0.7	1.1	0.8	1.2	1.2
		3.2	3.5	3.3	3.7	3.6

¹ Except for the working interest in the Dommartin Lettree field of 43 percent

France

Net production in France during the third quarter of 2018 was above expectation at 2.5 Mboepd.

Organic Growth

IPC continues to work its undeveloped resource base in the Paris Basin. In parallel with the optimization of the Vert la Gravelle redevelopment project, a number of fields are undergoing study and planning work with the goal of maturing contingent resources into reserves.

The Vert La Gravelle redevelopment project passed the concept selection milestone in December 2017 and is progressing towards an investment decision by year-end 2018. Final engineering and planning work is now focusing on optimizing the drilling and completion design.

Processing and interpretation of the Villeperdue West seismic data that was acquired in late 2017 is ongoing with the aim of reaching a final development investment decision by the year-end. Furthermore we are evaluating the prospectivity of the deeper Triassic horizon within the new 3D area which is produced by IPC in other parts of the Paris Basin.

The Netherlands

Net production from the Netherlands fields during the third quarter of 2018 was slightly below expectation at 0.7 Mboepd due to lower than expected production from the onshore Slootdorp and Gorredijk fields and changes to planned shutdown schedules. The reduced production from the Gorredijk field is due to third party gas utilizing shared infrastructure. The Gorredijk gas is expected to be recovered at a later date and IPC is receiving a compensation tariff for the backed out volumes minimizing the impact on revenues.

Offshore, the E17 field development well planned for second half of 2018 has been delayed until 2019 due to the existing wells producing ahead of expectation.

Financial Review

Financial Results

Selected interim condensed consolidated statement of operations is as follows:

USD Thousands	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Production (Mboepd)	35.2	34.9	32.9	9.9	9.2	10.6	11.5	12.3
Revenue	106,746	120,637	115,162	54,647	47,926	48,496	51,932	59,592
Gross profit/(loss)	37,060	45,920	37,573	13,471	7,256	10,361	17,670	(114,600)
Net result	26,487	21,498	26,313	8,977	2,172	7,113	4,461	(76,097)
Earnings/(loss) per share – USD ¹	0.30	0.24	0.30	0.10	0.02	0.07	0.04	(0.67)
Earnings/(loss) per share fully diluted – USD ¹	0.29	0.23	0.30	0.10	0.02	0.07	0.04	(0.67)
Operating cash flow ²	67,949	76,687	76,060	37,156	28,893	32,643	39,675	42,083
EBITDA ²	66,240	74,478	65,291	33,383	26,440	30,049	39,387	41,126
Net debt ²	213,217	254,628	309,184	26,321	47,241	35,348	(20,082)	(13,410)

¹ For comparative purposes, the Corporation's common shares issued under the Spin-Off, have been assumed to be outstanding as of the beginning of each period prior to the Spin-Off.

² See Section "Non-IFRS measures".

Summarized consolidated balance sheet information is as follows:

USD Thousands	September 30, 2018	December 31, 2017
Non-current assets	801,703	455,235
Current assets	117,429	134,476
Total assets	919,132	589,711
Total non-current liabilities	450,191	219,097
Current liabilities	92,488	63,672
Total liabilities	542,679	282,769
Net assets	376,453	306,942
Working capital (including cash)	24,941	70,804

Segment Information

The Group operates within several geographical areas. Operating segments are reported at country level which is consistent with the internal reporting provided to IPC management. The following tables present certain segment information.

Three months ended – September 30, 2018

USD Thousands	Canada	Malaysia	France	Netherlands	Other	Total
Crude oil	31,194	38,710	14,105	9	–	84,018
NGLs	112	–	–	71	–	183
Gas	16,899	–	–	3,091	–	19,990
Net sales of oil and gas	48,205	38,710	14,105	3,171	–	104,191
Change in under/over lift position	–	–	215	(1)	–	214
Royalties	(2,392)	–	–	–	–	(2,392)
Other operating revenue	–	3,910	309	429	85	4,733
Revenue	45,813	42,620	14,629	3,599	85	106,746
Production costs	(28,276)	(2,408)	(5,426)	(1,702)	–	(37,812)
Depletion	(11,316)	(8,355)	(3,435)	(620)	–	(23,726)
Depreciation of other assets	–	(7,789)	–	–	–	(7,789)
Exploration and business development costs	–	(191)	–	–	(168)	(359)
Gross profit/(loss)	6,221	23,877	5,768	1,277	(83)	37,060

Three months ended – September 30, 2017

USD Thousands	Malaysia	France	Netherlands	Other	Total
Crude oil	29,847	9,765	10	–	39,622
NGLs	–	–	86	–	86
Gas	–	–	3,482	–	3,482
Net sales of oil and gas	29,847	9,765	3,578	–	43,190
Change in under/over lift position	–	291	(178)	–	113
Other operating revenue	3,910	266	386	61	4,623
Revenue	33,757	10,322	3,786	61	47,926
Production costs	(11,902)	(4,955)	(2,305)	–	(19,162)
Depletion	(7,289)	(3,508)	(1,304)	–	(12,101)
Depreciation of other assets	(8,047)	–	–	–	(8,047)
Exploration and business development costs	(64)	(1)	–	(1,295)	(1,360)
Impairment costs	–	–	–	–	–
Gross profit/(loss)	6,455	1,858	177	(1,234)	7,256

Nine months ended – September 30, 2018

USD Thousands	Canada	Malaysia	France	Netherlands	Other	Total
Crude oil	92,691	133,079	49,338	55	–	275,163
NGLs	284	–	–	279	–	563
Gas	48,788	–	–	9,158	–	57,946
Net sales of oil and gas	141,763	133,079	49,338	9,492	–	333,672
Change in under/over lift position	–	–	386	11	–	397
Royalties	(5,737)	–	–	–	–	(5,737)
Other operating revenue	136	11,603	889	1,273	312	14,213
Revenue	136,162	144,682	50,613	10,776	312	342,545
Production costs	(85,399)	(14,242)	(22,329)	(5,076)	–	(127,046)
Depletion	(32,214)	(26,429)	(10,387)	(1,976)	–	(71,006)
Depreciation of other assets	–	(23,538)	–	–	–	(23,538)
Exploration and business development costs	–	(206)	–	–	(196)	(402)
Gross profit/(loss)	18,549	80,267	17,897	3,724	116	120,553

Nine months ended – September 30, 2017

USD Thousands	Malaysia	France	Netherlands	Other	Total
Crude oil	88,180	35,509	48	–	123,737
NGLs	–	–	284	–	284
Gas	–	–	11,249	–	11,249
Net sales of oil and gas	88,180	35,509	11,581	–	135,270
Change in under/over lift position	–	89	(571)	–	(482)
Other operating revenue	11,603	805	937	221	13,566
Revenue	99,783	36,403	11,947	221	148,354
Production costs	(22,544)	(18,749)	(5,770)	–	(47,063)
Depletion	(25,794)	(10,879)	(3,876)	–	(40,549)
Depreciation of other assets	(23,713)	–	–	–	(23,713)
Exploration and business development costs	(6)	(25)	–	(1,875)	(1,906)
Impairment costs	164	–	–	–	164
Gross profit/(loss)	27,890	6,750	2,301	(1,654)	35,287

Three and nine months ended September 30, 2018 Review

Revenue

Total revenue amounted to USD 106,746 thousand for Q3 2018 compared to USD 47,926 thousand for Q3 2017 and USD 342,545 thousand for the first nine months of 2018 compared to USD 148,354 thousand for the first nine months of 2017 and is analyzed as follows:

USD Thousands	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Crude oil sales	84,018	39,622	275,163	123,737
Gas and NGL sales	20,173	3,568	58,509	11,533
Change in under/overlift position	214	113	397	(482)
Royalties	(2,392)	–	(5,737)	–
Other operating revenue	4,733	4,623	14,213	13,566
Total revenue	106,746	47,926	342,545	148,354

The components of total revenue for the three and nine months ended September 30, 2018 and September 30, 2017, respectively are detailed below:

Crude oil sales

	Three months ended – September 30, 2018				Total
	Canada	Malaysia	France	Netherlands	
Crude oil sales					
- Revenue in USD thousands	31,194	38,710	14,105	9	84,018
- Quantity sold in bbls	640,748	494,938	181,826	148	1,317,660
- Average price realized USD per bbl	48.68	78.21	77.58	59.49	63.76

	Three months ended – September 30, 2017			
	Malaysia	France	Netherlands	Total
Crude oil sales				
- Revenue in USD thousands	29,847	9,765	10	39,622
- Quantity sold in bbls	545,123	183,542	210	728,875
- Average price realized USD per bbl	54.75	53.20	49.50	54.36

Crude oil revenue was 112 percent higher for Q3 2018 compared to Q3 2017 mainly due to the contribution of Suffield Assets in Canada from January 5, 2018 and an increase in the underlying oil price.

The crude oil in Canada is blended with purchased condensate diluent volumes to meet pipeline specifications. As a result of the blended volumes, actual sales volumes are higher than produced volumes for Canada. The Canadian realized sales price is based on the Western Canadian Select (“WCS”) price which trades at a discount to West Texas Intermediate (“WTI”). WTI averaged USD 70 per bbl and the average discount to WCS used in our pricing formula was USD 22 per bbl for Q3 2018.

The realized sales price for Malaysia and France is based on Dated Brent crude oil prices and the average Dated Brent crude oil price was USD 75 per bbl for Q3 2018 compared to USD 52 per bbl for the comparative period. The volume of oil sold in Malaysia during the third quarter of 2018 was lower than the volume sold in the second and first quarters of 2018 with only two cargoes lifted during the current period compared to three cargoes in each of the previous quarters.

	Nine months ended – September 30, 2018				Total
	Canada	Malaysia	France	Netherlands	
Crude oil sales					
- Revenue in USD thousands	92,691	133,079	49,339	55	275,163
- Quantity sold in bbls	1,999,498	1,761,331	685,478	909	4,447,216
- Average price realized USD per bbl	46.36	75.56	71.98	60.69	61.87

	Nine months ended – September 30, 2017				Total
	Malaysia	France	Netherlands		
Crude oil sales					
- Revenue in USD thousands	88,180	35,509	48		123,737
- Quantity sold in bbls	1,614,960	705,429	1,097		2,321,486
- Average price realized USD per bbl	54.60	50.34	43.57		53.30

Crude oil sales were 122 percent higher for the first nine months of 2018 compared to the first nine months of 2017 due to the contribution of Suffield Assets in Canada from January 5, 2018 and an increase in the underlying oil price.

The Canadian realized sales price is based on the WCS price which trades at a discount to WTI. WTI averaged USD 67 per bbl and the average discount to WCS used in our pricing formula was USD 22 per bbl for the first nine months of 2018.

The realized sales price for Malaysia and France is based on Brent crude oil prices and the average market Brent crude oil price was USD 72 per bbl in the first nine months of 2018 compared to USD 52 per bbl for the comparative period.

Gas and NGL sales

	Three months ended – September 30, 2018		Total
	Canada	Netherlands	
Gas and NGL sales			
- Revenue in USD thousands	17,011	3,162	20,173
- Quantity sold in Mcf	9,653,287	391,120	10,044,407
- Average price realized USD per Mcf	1.76	8.08	2.01

	Three months ended – 30 September 2017	
	Netherlands	Total
Gas and NGL sales		
- Revenue in USD thousands	3,568	3,568
- Quantity in Mcf	668,172	668,172

Gas and NGL sales revenue was 465 percent higher for Q3 2018 compared to Q3 2017 mainly due to the contribution of the Suffield Assets from January 5, 2018. Canadian gas and NGL sales revenue represented approximately 85 percent of the total revenue from gas and NGL sales for Q3 2018. Over 90 percent of the Suffield gas production was sold on the Alberta/Saskatchewan border at Empress with the remainder being delivered in Alberta based on AECO pricing. For Q3 2018, IPC realized an average price of CAD 2.29 per Mcf which was CAD 1.10 per Mcf, or approximately 90 percent, above AECO pricing. In the third quarter of 2018, a project to reroute certain produced gas volumes was successfully executed to allow almost 100 percent of IPC's gas production in Canada to be sold at Empress pricing rather than AECO pricing.

Dutch gas volumes sold in Q3 2018 are 41 percent lower than the comparative period due to the naturally declining production, but this has been partly offset by a 51 percent higher realized gas price.

	Nine months ended – September 30, 2018		
	Canada	Netherlands	Total
Gas and NGL sales			
- Revenue in USD thousands	49,072	9,437	58,509
- Quantity sold in Mcf	26,732,084	1,296,027	28,028,111
- Average price realized USD per Mcf	1.84	7.28	2.09

	Nine months ended – 30 September 2017	
	Netherlands	Total
Gas and NGL sales		
- Revenue in USD thousands	11,533	11,533
- Quantity in Mcf	2,124,055	2,124,055
- Average price realized USD per Mcf	5.43	5.43

Gas and NGL sales revenue was 407 percent higher for the first nine months of 2018 compared to the first nine months of 2017 mainly due to the due to the contribution of Suffield Assets in Canada from January 5, 2018 . For the nine months ended 2018, IPC realized an average price of CAD 2.35 per Mcf which was CAD 0.87 per Mcf, or approximately 60 percent, above AECO pricing.

Other operating revenue

Other operating revenue amounted to USD 4,733 thousand for Q3 2018 compared to USD 4,623 thousand for Q3 2017 and USD 14,213 thousand for the first nine months of 2018 compared to USD 13,566 thousand for the first nine months of 2017. Other operating revenue mainly represents third party lease fee income received by the Group for the leasing of the owned FPSO Bertam to the Bertam field in Malaysia.

Production costs

Production costs including inventory movements amounted to USD 37,812 thousand for Q3 2018 compared to

USD 19,162 thousand for Q3 2017 and USD 127,046 thousand for the first nine months of 2018 compared to USD 47,063 thousand for the first nine months of 2017 and is analyzed as follows:

Three months ended – September 30, 2018

USD Thousands	Canada	Malaysia	France	Netherlands	Other ³	Total
Operating costs¹	22,633	19,123	7,214	1,702	(11,730)	38,942
USD/boe ²	9.87	29.62	30.99	26.07	n/a	12.03
Cost of blending⁴	5,689	–	–	–	–	5,689
Change in inventory position	(46)	(4,985)	(1,788)	–	–	(6,819)
Production costs	28,276	14,138	5,426	1,702	(11,730)	37,812

Three months ended – September 30, 2017

USD Thousands	Malaysia	France	Netherlands	Other ³	Total
Operating costs¹	19,336	5,951	2,305	(11,730)	15,862
USD/boe ²	37.22	26.68	21.88	n/a	18.71
Change in inventory position	4,296	(996)	–	–	3,300
Production costs	23,632	4,955	2,305	(11,730)	19,162

Nine months ended – September 30, 2018

USD Thousands	Canada	Malaysia	France	Netherlands	Other ³	Total
Operating costs¹	66,754	54,323	22,347	5,076	(34,808)	113,692
USD/boe ²	10.37	26.60	32.86	23.37	n/a	12.12
Cost of blending⁴	19,834	–	–	–	–	19,834
Change in inventory position	(1,189)	(5,273)	(18)	–	–	(6,480)
Production costs	85,399	49,050	22,329	5,076	(34,808)	127,046

Nine months ended – September 30, 2017

USD Thousands	Malaysia	France	Netherlands	Other ³	Total
Operating costs¹	54,508	17,010	5,770	(34,808)	42,480
USD/boe ²	29.65	25.32	17.16	n/a	14.92
Change in inventory position	2,844	1,739	–	–	4,583
Production costs	57,352	18,749	5,770	(34,808)	47,063

¹ See Section “Non-IFRS measures”

² USD/boe in the tables above is calculated by dividing the cost by the production volume for each country for the period.

³ Included in the Malaysia operating costs is the lease cost for the FPSO Bertam which is owned by the Group. Other represents the FPSO Bertam lease fee self-to-self payment elimination. Netting the self-to-self elimination against the operating costs in Malaysia reduces the operating cost per boe for Malaysia to USD 11.45 and USD 14.64 for Q3 2018 and Q3 2017 respectively and USD 9.55 and USD 10.72 for the nine months ended September 30, 2018 and September 30, 2017 respectively.

⁴ Cost of blending represents the contracted purchase of diluent used for blending net of proceeds from the sale of surplus diluent.

Operating costs

Operating costs amounted to USD 38,942 thousand for Q3 2018 compared to USD 15,862 thousand for Q3 2017 and USD 113,692 thousand for the first nine months of 2018 compared to USD 42,480 thousand for the first nine months of 2017. The increase in operating costs is mainly due to the contribution of Suffield Assets in Canada from January 5, 2018 and is in line with CMD guidance for the first nine months of 2018. Operating costs per boe amounted to USD 12.03 in Q3 2018 compared to USD 18.71 in Q3 2017 with Canada for Q3 2018 costing USD 9.87 per boe. The operating costs in France for the first nine months of 2018 increased compared to the first nine months of 2017 as a result of the increased production taxes due to tax legislation changes made in Q4 2017, project cost phasing and the stronger US Dollar against the Euro. The full year operating costs guidance for 2018 remains unchanged at USD 12.60 per boe.

Cost of blending

In Canada, the oil from the Suffield Assets is blended with purchased condensate diluent to meet pipeline specifications. The cost of the diluent net of proceeds from the sale of surplus diluent amounted to USD 5,689 thousand for Q3 2018 and to USD 19,834 thousand for the first nine months of 2018. As a result of the blending, actual sales volumes are higher than produced barrels.

Change in inventory position

The Bertam field in Malaysia is located offshore and production is lifted and sold from the FPSO Bertam when a cargo parcel size is reached. Accordingly, the timing of a lifting varies based on the inventory level on the FPSO facility and the change in inventory position varies, both positively and negatively, from period to period. In the third quarter of 2018, there were two cargo liftings of Bertam crude compared to three liftings in each of the first and second quarters of 2018, with the second lifting completed on in early September. IPC's entitlement to crude produced after this last lifting until the period end was reflected as inventory on the Balance Sheet as at September 30, 2018. Inventories are valued at the lower of cost (including depletion) and market value and the difference in the valuation between period ends is reflected in the change in inventory position in the statement of operations. In the Aquitaine Basin, France, there was a cargo lifting in both Q1 2018 and Q1 2017. The next lifting from the Aquitaine fields is expected to be in the fourth quarter of 2018.

Depletion and decommissioning costs

The total depletion and decommissioning costs amounted to USD 23,726 thousand for Q3 2018 compared to USD 12,101 thousand for Q3 2017 and USD 71,006 thousand for the first nine months of 2018 compared to USD 40,549 thousand for the first nine months of 2017, with the inclusion of a USD 11,316 thousand depletion charge for Q3 2018 and USD 32,214 thousand for the first nine months of 2018 relating to the Suffield Assets. The depletion charge per country is analyzed in the following tables:

	Three months ended – September 30, 2018				
	Canada	Malaysia	France	Netherlands	Total
Depletion and decommissioning costs in USD thousands	11,316	8,355	3,435	620	23,726
USD per boe	4.93	12.94	14.76	9.49	7.33

Three months ended – September 30, 2017				
	Malaysia	France	Netherlands	Total
Depletion and decommissioning costs in USD thousands	7,289	3,508	1,304	12,101
USD per boe	14.03	15.73	12.38	14.27

Nine months ended – September 30, 2018					
	Canada	Malaysia	France	Netherlands	Total
Depletion and decommissioning costs in USD thousands	32,214	26,429	10,387	1,976	71,006
USD per boe	5.00	12.94	15.27	9.10	7.57

Nine months ended – September 30, 2017				
	Malaysia	France	Netherlands	Total
Depletion and decommissioning costs in USD thousands	25,794	10,879	3,876	40,549
USD per boe	14.03	16.19	11.53	14.25

The depletion rates for 2018 have been calculated following the 2017 year-end reserves revisions. The depletion charge is derived by applying the depletion rate per boe to the volumes produced in the period by each field. Following the allocation of the purchase price for the Suffield Assets, the depletion rate for Canada is calculated at CAD 6.44 per boe.

Depreciation of other assets

The total depreciation of other assets amounted to USD 7,789 thousand for Q3 2018 compared to USD 8,047 thousand for Q3 2017 and USD 23,538 thousand for the first nine months of 2018 compared to USD 23,713 thousand for the first nine months of 2017. This related to the depreciation of the FPSO Bertam, which is being depreciated on a straight line basis over the six year lease period on the Bertam field from April 2015.

General, administrative and depreciation expenses

General, administrative and depreciation expenses amounted to USD 2,835 thousand for Q3 2018 compared to USD 2,545 thousand for Q3 2017 and USD 9,912 thousand for the first nine months of 2018 compared to USD 6,325 thousand for the first nine months of 2017. Until the Spin-Off date in April 2017, the general administrative and depreciation expenses are a carve out from Lundin Petroleum's financial statements and are not representative of the general, administrative and depreciation expenses associated with the Group's corporate structure post Spin-Off.

Net financial items

Net financial items for Q3 2018 amounted to USD 3,291 thousand compared to USD 1,263 thousand for Q3 2017 and USD 27,492 thousand for the first nine months of 2018 compared to USD 12,716 thousand for the first nine months of 2017. Included in Q3 2018 is interest expense of USD 3,447 thousand on the external loan facilities which were drawn to fund the Suffield acquisition at the beginning of January 2018 compared to USD 461 in Q3 2017 and the unwinding of the discount rate on the asset retirement obligations which amounted to a non-cash charge of USD 2,306 thousand for Q3 2018 compared to USD 914 thousand for Q3 2017. The increase in the unwinding of the discounting rate is largely due to the Suffield Assets retirement obligation included from January 5, 2018. Also in Q3 2018 there is a largely non-cash net foreign exchange gain of USD 3,418 thousand compared to a net foreign exchange gain of USD 536 thousand in Q3 2017 mainly resulting from the revaluation of external loan balances and intra-group loan funding balances.

Income tax

The corporate income tax charge for Q3 2018 amounted to USD 4,447 thousand compared to a charge of USD 1,276 thousand for Q3 2017 and a charge of USD 8,851 thousand for the first nine months of 2018 compared to USD 2,500 thousand for the first nine months of 2017. There was a current tax credit of USD 7,196 thousand in Q1 2018 largely related to a non-recurring Dutch petroleum tax refund relating to historical intragroup charges and an industry change in the calculation of the present value of the asset retirement obligation. The deferred tax charge for Q3 2018 amounted to USD 3,462 thousand compared to USD 1,405 thousand for the comparative period and included a charge relating to the utilization of tax losses carried forward in Malaysia.

Capital Expenditure

Development and exploration and evaluation expenditure incurred in the first nine months of 2018 was as follows:

USD Thousands	Canada	Malaysia	France	Netherlands	Total
Development	4,019	12,659	3,140	615	20,433
Exploration and evaluation	–	1,550	541	153	2,244
	4,019	14,209	3,681	768	22,677

Capital expenditure for the first nine months of 2018 is in line with the guidance given at Q2 2018 and the development expenditure in Malaysia mainly relates to the drilling of the second infill well on the Bertam field. The two well drilling campaign started in December 2017 and was completed under budget in Q1 2018. The capital guidance for 2018 remains unchanged at USD 44.0 million with a drilling program in Canada which commenced in the fourth quarter of 2018 and the planned Keruing prospect well in Malaysia to be spudded late in 2018.

Other tangible fixed assets

Other tangible fixed assets amounted to USD 99,044 thousand as at September 30, 2018, which included USD 96,800 thousand in respect of the FPSO Bertam. The FPSO Bertam is being depreciated on a straight line basis over the six year lease period on the Bertam field from April 2015.

Acquisition of the Suffield Assets

On January 5, 2018, IPC acquired the Suffield Assets from Cenovus Energy Inc. for a total consideration, after preliminary closing adjustments and an assessment of the contingent consideration, of USD 375,862 thousand. The purchase price has been allocated, on a preliminary basis, as follows:

USD Thousands	
Property, Plant and Equipment, net	453,630
Deferred tax liabilities	(2,682)
Abandonment retirement obligation	(75,086)
Net assets acquired	375,862

There was no goodwill or negative goodwill recorded on the acquisition.

The amounts disclosed above were determined provisionally pending the finalization of the valuation for those assets and liabilities. Up to twelve months from the effective date of the acquisition, further adjustments may be made to the fair values assigned to the identifiable assets acquired and liabilities assumed, as well as to the fair value of the consideration transferred.

Financial Position and Liquidity

Financing

In April 2017, the Group entered into a USD 100 million reserve-based lending credit facility, which was used to fund the offer to purchase common shares of IPC announced on April 24, 2017.

The credit facility was initially drawn for USD 80.0 million in May 2017 to partly fund the share purchase offer made to all shareholders totaling USD 90.6 million and the balance was paid from Group's available cash.

In connection with the completion of the Suffield acquisition, the Group entered into an amendment to the existing reserve-based lending credit facility on December 20, 2017 to increase such facility from USD 100 million to USD 200 million and to extend the maturity to end June 2022. Concurrently, IPC Alberta Ltd entered into a CAD 250 million reserve-based lending credit facility and a CAD 60 million second lien facility in Canada on January 5, 2018.

On January 5, 2018, following completion of the Suffield acquisition, the Group had net debt of approximately USD 355 million which was mainly used to pay the Suffield acquisition price of CAD 449 million (net of closing adjustments and including a CAD 40 million deposit).

During the first nine months of 2018, after all operations related costs and capital expenditure, free cash flows were principally dedicated to debt repayment, leading to net debt of USD 213 million at the end of September 2018, a reduction of USD 142 million.

In August 2018, the Group fully repaid and cancelled the Canadian second lien CAD 60 million loan facility. This will further reduce the average cost of capital for the Group going forward.

The Group's free cash flows going forward, after operations related costs and capital expenditure, are planned to continue to be used to repay outstanding debt under the credit facilities. The Group is in full compliance with the covenants under the credit facilities, which are customary for the size and nature of such facilities.

Cash and cash equivalents held amounted to USD 8,135 thousand as at September 30, 2018. The Corporation holds cash to meet imminent operational funding requirements in the different countries.

In connection with the Spin-Off, effective January 1, 2017, IPC owed working capital in favor of Lundin Petroleum. USD 31.4 million of the working capital adjustment was paid back to Lundin Petroleum in 2017. The final settlement of USD 23.6 million is due before June 30, 2019.

Working Capital

As at September 30, 2018, the Group had a net working capital balance including cash of USD 24,941 thousand compared to USD 70,804 thousand as at December 31, 2017. The main movement in working capital during the first nine months of 2018 was the allocation of the deposit in relation to the Suffield acquisition of USD 31,898 thousand to the purchase price for the Suffield Assets. The amounts are derived from the balance sheet and the change in working capital differs to the amount stated in the statement of cash flow due to the inclusion of the cash balances and the non-cash foreign exchange differences arising on the revaluation of the balances held in subsidiaries with a different functional currency to the Group's presentational currency.

Off-Balance Sheet Arrangements

As at September 30, 2018, IPC, through its subsidiary IPC Malaysia BV, had issued bank guarantees to the Malaysian customs authorities for an amount of USD 396 thousand.

On May 1, 2018, IPC, through its subsidiary IPC Alberta Ltd, had issued a letter of credit for an amount of CAD 4 million in respect of its obligations to purchase diluent. The letter of credit automatically

renewed on July 31, 2018, and every six months thereafter unless notice is given to terminate the letter of credit.

IPC has also guaranteed the pipeline obligations of its subsidiary, IPC Alberta Ltd, in respect of its gathering and transportation of crude oil for a maximum amount of CAD 3.6 million.

Contractual Obligations and Commitments

As part of the acquisition of the Suffield Assets, IPC may be required to pay Cenovus Energy Inc. additional cash consideration dependent upon the future prices of oil and natural gas for each month between January 2018 and December 2019. The potential undiscounted amount of all future payments that the Group could be required to pay as at September 30, 2018 is up to CAD 22.5 million. An estimated contingent consideration of USD 7,250 thousand as at January 5, 2018 has been reflected in the Financial Statements. The Group has paid, or will pay, a total amount of CAD 3,375 thousand as contingent consideration related to the oil price for the first nine months of 2018. No amounts have been paid or accrued in respect of the price of natural gas.

IPC has an obligation to make payments towards historic costs on Block PM307 in Malaysia payable on the Bertam field for every 1 MMboe gross that the field produces above 10 MMboe gross. The estimated liability based on current 2P reserves has been provided for in the Group's Balance Sheet – see Note 17 Provisions of the Financial Statements.

The Bertam field (IPC working interest of 75 percent) has leased the FPSO Bertam from another Group company for an initial period of six years commencing April 2015.

IPC has a residual liability for working capital owed to Lundin Petroleum – see Transactions with Related Parties section below.

Critical Accounting Policies and Estimates

In connection with the preparation of the Corporation's interim condensed consolidated financial statements, management has made assumptions and estimates about future events and applied judgments that affect the reported values of assets, liabilities, revenues, expenses and related disclosures. These assumptions, estimates and judgments are based on historical experience, current trends and other factors that they believe to be relevant at the time the financial statements are prepared. The management reviews the accounting policies, assumptions, estimates and judgments to ensure that the financial statements are presented fairly in accordance with IFRS. However, because future events and their effects cannot be determined with certainty, actual results could differ from these assumptions and estimates, and such differences could be material.

Transactions with Related Parties

As a result of the Spin-Off, the Group had a residual liability for working capital owed to Lundin Petroleum of USD 23,807 thousand including accrued interest as at September 30, 2018. Instalments relating to the working capital amount bear interest at 3.5 percent from the date of the original repayment schedule. The amount is reflected as a current liability as it is due before the end of June 2019. Expensed interest of USD 347 thousand is included in the first six months of 2018 related to this liability.

Lundin Petroleum has charged the Group USD 471 thousand in respect of office space rental and USD 1,793 thousand in respect of shared services provided during the first nine months of 2018. IPC has charged Lundin Petroleum USD 98 thousand in respect of consultancy fees during the first nine months of 2018.

In addition, Namdo Management Services Ltd have charged the Corporation USD 113 thousand in respect of services agreements to provide corporate administrative support and investor relations services to the Corporation.

All transactions with related parties are in the normal course of business and are made on the same terms and conditions as with parties at arm's length.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Operational Review

During 2017, our assets have continued to perform well with average production of 10,307 boepd, three percent ahead of our mid-point CMD guidance.

This has been driven by a good performance across all of our assets in Malaysia, France and the Netherlands. A world class uptime performance on the Bertam FPSO in excess of 99 percent was achieved in 2017 (excluding the planned shutdown for infill drilling operations). It is remarkable that such a sustained performance has been delivered since Bertam started producing in April 2015.

In addition, lower than forecast operating costs have allowed us to deliver full year operating costs of USD 16.15 per boe, 14 percent below our CMD guidance.

During 2017, IPC assets generated significant operating cash flow of USD 138 million. This allowed IPC to pay down the Credit Facility put in place to fund the purchase of 25.5 million IPC Common Shares under the share purchase offer in the second quarter of 2017. By the end 2017, IPC was in a net cash position of USD 5.6 million, excluding the CAD 40 million (USD 32.6 million) deposit for the Suffield acquisition in Canada. Including the Canadian acquisition deposit, year-end net debt stood at USD 26.3 million.

Good progress has been made during 2017 in adding value to IPC's resource base. IPC's 2P reserve base amounted to 29.4 MMboe as at December 31, 2016. A portfolio re-evaluation during the first half of 2017 allowed IPC to book 17.5 MMboe of best estimate contingent resources. A capital investment program was approved in the second quarter of 2017 to drill two new infill wells in Malaysia on the Bertam field and acquire a 79 km² 3D seismic survey in the Villeperdue field in France.

The two infill wells on the Bertam field in Malaysia have now been completed and commenced production in January and February of 2018 respectively.

In France, the 3D seismic acquisition on the western flank of the Villeperdue field was completed in October 2017. Work is ongoing on the seismic interpretation and we expect to be in a position by the end of 2018 to reach the concept selection milestone. In parallel, work continues on the Vert La Gravelle development plan, progressing towards a final investment decision during 2018.

As at end December 2017, IPC's 2P reserves more than quadrupled to 129.1 MMboe (including 2P reserves attributable to the Suffield acquisition in Canada). This includes a reserves replacement ratio of 76 percent for the non-Canadian assets and follows the maturation of contingent resources from the infill drilling program in Malaysia and certain upgrades in France and the Netherlands reflecting recent performance.

Production

Production of 10.3 Mboepd for the reporting period was three percent ahead of original mid-point CMD guidance. The production during the reporting period with comparatives was comprised as follows:

Production ¹ in Mboepd	Year ended December 31	
	2017	2016
Crude oil		
Malaysia	6.7	8.6
France	2.4	2.6
Total crude oil production	9.1	11.2

Gas		
Netherlands	1.2	1.6
Total gas production	1.2	1.6
Total production	10.3	12.8
Quantity in MMboe	3.76	4.66

¹ Excludes 1.17 MMboe produced by the Singa field, Indonesia, in 2016 prior to the sale of the asset in April 2016.

Financial Review

During the year ended December 31, 2017, the Oil and Gas Assets generated revenue of USD 203.0 million, compared to USD 209.9 million for the year ended December 31, 2016. This decrease was primarily related to Indonesia which was divested in Q2 2016.

Net result for the financial year 2017 amounted to a profit of USD 22.7 million, compared with a charge of USD 95.7 million for 2016. The net result in 2016 was reduced by non-cash USD 126.0 million after-tax impairment charges in relation to the impairment of gas discoveries in Malaysia relating to the Bertam field and exploration blocks.

Total cash flow from operations for the financial year 2017 amounted to USD 149.0 million, compared to USD 109.4 million for 2016. The increase is mainly due to favourable changes in working capital balances. Investment in oil and gas properties amounted to USD 23.1 million for 2017 compared to USD 34.9 million for 2016, but an additional USD 32.6 million deposit was paid in 2017 for the Suffield Acquisition in Canada.

Total assets amounted to USD 589.7 million at December 31, 2017, compared to USD 572.0 million at December 31, 2016. This increase was primarily related to an increase in cash and cash equivalents as well as trade receivables. Total liabilities amounted to USD 282.8 million at December 31, 2017, compared to USD 166.9 million at December 31, 2016. The increase in total liabilities was primarily related to the new financing of USD 60 million and to the deposit of CAD 40 million triggered by the Suffield Acquisition of the Suffield Assets. Net assets amounted to USD 306.9 million at December 31, 2017 compared to USD 405.1 million at December 31, 2016.

Income Statement

Revenue

Total revenue amounted to USD 203,001 thousand for the year ended December 31, 2017 compared to USD 209,880 thousand for the year ended December 31, 2016 and is analyzed as follows:

USD Thousands	Year ended December 31	
	2017	2016
Crude oil sales	169,881	165,752
Gas and NGL sales	15,301	24,964
Change in under/overlift position	(613)	217
Other operating revenue	18,432	18,947
Total revenue	203,001	209,880

Crude Oil Sales

Crude oil sales were 2 percent higher for the year ended December 31, 2017 compared to the year ended December 31, 2016 due to a 25 percent increase in the average sales price achieved partly offset by an 18 percent decrease in the volumes sold. The realized sales price is based on Dated Brent crude oil prices and the average Dated Brent crude oil price was USD 54.19/bbl for the year ended December 31, 2017 compared to USD 43.03/bbl for the comparative period. There were eleven cargoes sold in Malaysia during the year ended December 31, 2017 compared to twelve cargoes in the comparative period, primarily as a result of the lower production volumes.

	Year ended – December 31, 2017			
	Malaysia	France	Netherlands	Total
Crude oil sales				
- Revenue in USD thousands	122,595	47,238	48	169,881
- Quantity sold in bbls	2,139,683	890,527	1,097	3,031,307
- Average price realized USD per bbl	57.30	53.05	43.57	56.04

	Year ended – December 31, 2016			
	Malaysia	France	Netherlands	Total
Crude oil sales				
- Revenue in USD thousands	125,823	39,887	42	165,752
- Quantity sold in bbls	2,787,829	907,023	1,228	3,696,080
- Average price realized USD per bbl	45.13	43.98	33.82	44.85

Gas and NGL Sales

The gas sales revenue for the year ended December 31, 2016 includes revenue in respect of the Singa field in Indonesia. The Singa field was sold in April 2016. The average price realized for Singa gas revenue was based on a fixed contract price and is therefore higher compared to the Dutch assets where the price realized is based on market prices. Dutch gas volumes sold in the year ended December 31, 2017 are 22 percent lower than the comparative period due to the naturally declining production, but this has been offset by a 25 percent higher realized gas price.

	Year ended – December 31, 2017				
	Malaysia	France	Netherlands	Indonesia	Total
Gas and NGL sales					
- Revenue in USD thousands	–	–	15,301	–	15,301
- Quantity sold in Mcf	–	–	2,722,099	–	2,722,099
- Average price realized USD per Mcf	–	–	5.62	–	5.62

	Year ended – December 31, 2016				
	Malaysia	France	Netherlands	Indonesia	Total
Gas and NGL sales					
- Revenue in USD thousands	–	–	15,695	9,269	24,964
- Quantity sold in Mcf	–	–	3,482,363	1,069,066	4,551,429
- Average price realized USD per Mcf	–	–	4.51	8.67	5.48

Other Operating Revenue

Other operating revenue amounted to USD 18,432 thousand for the year ended December 31, 2017 compared to USD 18,947 thousand for the year ended December 31, 2016. Other operating revenue mainly represents third party lease fee income received by the Group for the leasing of the owned FPSO Bertam facility to the Bertam field in Malaysia, but also includes tariff income from France and the Netherlands and income for maintaining strategic inventory levels in France.

Production Costs

Production costs including inventory movements amounted to USD 64,437 thousand for the year ended December 31, 2017 compared to USD 59,155 thousand for the comparative period and is analyzed as follows:

Year ended – December 31, 2017						
USD Thousands	Malaysia	France	Netherlands	Indonesia	Other ²	Total
Operating costs	73,540	25,820	7,926	–	(46,537)	60,749
USD/boe ¹	30.14	29.00	18.35	–	n/a	16.15
Change in inventory position	3,390	298	–	–	–	3,688
Production costs	76,930	26,118	7,926	–	(46,537)	64,437

Year ended – December 31, 2016						
USD Thousands	Malaysia	France	Netherlands	Indonesia	Other ²	Total
Operating costs	73,032	22,476	9,947	1,358	(46,664)	60,149
USD/boe ¹	23.18	23.94	17.32	7.00	n/a	12.38
Change in inventory position	975	(1,969)	–	–	–	(994)
Production costs	74,007	20,507	9,947	1,358	(46,664)	59,155

¹ USD/boe in the tables above is calculated by dividing the cost by the production volume for each country for the period.

² Included in the Malaysia production costs is the lease cost for the FPSO Bertam which is owned by the Group. Other represents the FPSO Bertam lease fee self-to-self payment elimination. Netting the self-to-self elimination against the operating costs in Malaysia reduces the operating cost per boe to USD 11.07 and USD 8.37 for Malaysia for the year ended December 31, 2017 and 2016 respectively.

Production costs excluding inventory movements (operating costs)

Production costs excluding inventory movements (operating costs) amounted to USD 60,749 thousand for the year ended December 31, 2017 compared to USD 60,149 thousand for the year ended December 31, 2016. Included in the year ended December 31, 2017 are costs of USD 3,309 thousand associated with the Bertam shutdown. Included in the year ended December 31, 2016 is USD 2,267 thousand for the workover of two shut-in production wells on the Bertam field and USD 1,362 which relates to the Singa field, Indonesia, which was sold in April 2016. These items combined result in a slight increase of the costs for the year ended December 31, 2017 compared to 2016, along with reduced project and maintenance activities in the Netherlands in 2017. Besides the slight increase in

the costs, the cost per boe increased for the year ended December 31, 2017 compared to 2016 due to the lower production volumes in 2017.

Change in inventory position

The Bertam field in Malaysia is located offshore and production is lifted and sold from the FPSO Bertam when a cargo parcel size is reached. Accordingly, the timing of a lifting varies based on the inventory level on the FPSO facility and the change in inventory position varies, both positively and negatively, from period to period. The inventory is valued at the lower of cost (including depletion) and market value and the difference in the valuation between period ends is reflected in the change in inventory position in the income statement. In the Aquitaine Basin, France, due to the relatively low level of production from the Aquitaine fields, there was only the one lifting forecast in 2017 which was lifted in March.

Depletion

The total depletion charge amounted to USD 54,438 thousand for 2017 compared to USD 85,187 thousand for 2016. The following table summarizes the components of depletion charges for the 12 months ended 2017 and 2016, respectively.

	Year ended – December 31, 2017			
	Malaysia	France	Netherlands	Total
Depletion in USD thousands	34,228	13,464	6,746	54,438
Depletion USD per boe	14.03	15.12	15.62	14.47

	Year ended – December 31, 2016			
	Malaysia	France	Netherlands	Total
Depletion in USD thousands	61,086	14,380	9,721	85,187
Depletion USD per boe	19.39	15.32	16.93	17.53

The depletion amount for the Netherlands includes an accelerated depletion charge for the year ended December 31, 2017 of USD 1,668 thousand in connection to the permanent shut-in of the F15 field offshore in December 2017. Excluding the accelerated depletion charge the depletion rate per boe is USD 11.76 for the year ended December 31, 2017. The depletion rates for the Bertam field, Malaysia and the Dutch gas fields have reduced significantly in 2017 compared to 2016 due mainly to the reserves upgrades at the end of 2016. The depletion rate is calculated for each of the French and Dutch producing assets and therefore the rates shown in the table depend on the relative production contribution of each asset. The depletion charge is calculated by applying the depletion rate per boe to the volumes produced in the period. Note that there was no depletion charge in 2016 for the Singa field, Indonesia as it was held as an asset for sale during the period.

Depreciation of other assets

The total depreciation of other assets amounted to USD 31,629 thousand for the year ended December 31, 2017 compared to USD 31,073 thousand for the comparative period. This related to the depreciation of the FPSO Bertam, which is being depreciated on a straight line basis over the six year lease period on the Bertam field from April 2015.

Exploration and business development costs

Total expensed exploration and business development costs amounted to USD 3,786 thousand for the year ended December 31, 2017 compared to USD 14,141 thousand for the year ended December 31, 2016. The costs relate to unsuccessful exploration and evaluation costs and expenses related to business development activities. Exploration and evaluation costs are capitalized as they are incurred and expensed when their recoverability is determined highly uncertain (for example, an unsuccessful

exploration well is drilled). Expensed costs in the year ended December 31, 2017 mainly represent the costs of business development activities for an amount of USD 2,869 thousand and some past exploration costs in France for an amount of USD 1,263 thousand related to pre-licensing costs incurred in France, following an announcement by the French government in December 2017 that no new petroleum exploration licences will be granted. The significant exploration costs in 2016 mainly related to the unsuccessful exploration wells drilled on the SB307/308 licence in Malaysia.

Impairment costs of oil and gas properties

Impairment costs of oil and gas properties amounted to USD 164 thousand credit for the year ended December 31, 2017 compared to USD 125,963 thousand for the comparative period. Impairment costs for the year ended December 31, 2016 related to a decision to remove the contingent resources associated with gas discoveries in the Sabah region offshore East Malaysia and the Tembakau gas discovery in PM307 offshore Peninsular Malaysia.

General, administrative and depreciation expenses

General, administrative and depreciation expenses amounted to USD 10,400 thousand for the year ended December 31, 2017 compared to USD 1,931 thousand for the comparative period. Up until the Spin-Off date, the general administrative and depreciation expenses are a carve out from Lundin Petroleum's financial statements and are not representative of the general, administrative and depreciation expenses associated with the Group's corporate structure and management post Spin-Off.

Net financial items

Net financial items amounted to USD 14,907 thousand for the year ended December 31, 2017 compared to USD 15,385 thousand credit for the comparative period. Included in the amount for the year ended December 31, 2017 is a largely non-cash foreign exchange loss of USD 8,922 mainly resulting from USD intra-group loan funding balances held by a subsidiary with a functional currency of Euro. Foreign exchange movements occur on the settlement of transactions denominated in foreign currencies and the revaluation of working capital and loan balances to the prevailing exchange rate at the balance sheet date where those monetary assets and liabilities are held in currencies other than the functional currencies of the Group's reporting entities. In addition, the unwinding of the discount rate on the asset retirement obligations amounted to USD 3,557 thousand for the year ended December 31, 2017. Asset retirement obligations estimates are discounted to a present value when reflected in the balance sheet and the discounting is unwound through the income statement. The net financial items for the year ended December 31, 2016 mainly consisted of non-cash foreign exchange gains of USD 19,070 thousand.

Income tax

The corporate income tax charge of USD 728 thousand for the year ended December 31, 2017 compared to USD 4,887 thousand for the comparative period. There was a current tax charge of USD 196 in the year ended December 31, 2017 compared to a USD 2,199 thousand credit in the comparative period relating to a Dutch petroleum tax refund. The deferred tax charge for the year ended December 31, 2017 amounted to USD 532 thousand compared to USD 7,086 thousand for the comparative period which included a deferred tax charge relating to the Singa field, Indonesia, which was sold in April 2016.

Capital Expenditure

Oil and Gas Properties

As at December 31, 2017, oil and gas properties amounted to USD 312,401 thousand, with USD 108,047 thousand capitalized in Malaysia, USD 188,301 thousand capitalized in France and USD 16,053 thousand capitalized in the Netherlands.

Development and exploration and appraisal expenditure incurred in 2017 was as follows:

USD Thousands	Malaysia	France	Netherlands	Total
Development	11,708	4,696	1,759	18,163
Exploration and evaluation	(92)	4,251	755	4,914
	11,616	8,947	2,514	23,077

The development expenditure in Malaysia mainly relates to the drilling of an infill well on the Bertam field. The exploration and evaluation cost in France mainly relates to the acquisition of the 3D seismic in the Villeperdue field.

Other tangible fixed assets

Other tangible fixed assets amounted to USD 123,051 thousand as at December 31, 2017, which included USD 121,213 thousand in respect of the FPSO Bertam. The FPSO Bertam is being depreciated on a straight line basis over the six year lease period on the Bertam field from April 2015.

Selected Annual Financial Information

The following table sets out financial information for the Oil and Gas Assets over the last eight quarters. The financial information set out below has been derived from the Financial Statements. The following information should be read in conjunction with such financial statements and the accompanying notes. See “*Risk Factors*”.

USD Thousands (unless stated)	Quarterly financial information					Quarterly financial information				
	2017	Q4 2017	Q3 2017	Q2 2017	Q1 2017	2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Production (Mboepd)	10.3	9.9	9.2	10.6	11.5	12.8	12.3	12.9	12.8	14.5
Revenue	203,001	54,647	47,926	48,496	51,932	209,880	59,592	48,498	55,568	46,222
Gross profit/(loss)	48,758	13,471	7,256	10,361	17,670	(105,639)	(114,600)	9,631	16,029	(16,699)
Net result	22,723	8,977	2,172	7,113	4,461	(95,720)	(76,097)	4,522	26,954	(51,099)
Earnings per share – USD ¹	0.23	0.10	0.02	0.07	0.04	(0.84)	(0.67)	0.04	0.24	(0.45)
Earnings per share fully diluted – USD ¹	0.23	0.10	0.02	0.07	0.04	(0.84)	(0.67)	0.04	0.24	(0.45)
Operating cash flow	138,368	37,156	28,893	32,643	39,676	152,924	42,083	38,911	42,745	29,185
EBITDA	129,259	33,383	26,440	30,049	39,387	150,043	41,126	38,439	43,005	27,473
Net debt	26,321	26,321	47,241	35,348	(20,082)	(13,410)	(13,410)	(8,443)	(19,235)	(22,304)

¹ For comparative purposes, the Corporation's Common Shares issued under the Spin-Off, have been assumed to be outstanding as of the beginning of each period prior to the Spin-Off.

Off-Balance Sheet Arrangements

As at December 31, 2017 IPC, through its subsidiary IPC Malaysia BV, had issued bank guarantees to the customs authorities for an amount of USD 899 thousand.

Related Party Transactions

Transactions with corporate entities

As at the date of the Spin-Off, the Group had a residual liability for working capital owed to Lundin Petroleum AB of USD 27,429 thousand which has been reduced to USD 23,460 thousand as at December 31, 2017. Instalments of this amount bear interest at 3.5% from the date of an original repayment schedule. This amount is reflected as a current liability as it is due before the end of December 2018. Expensed interest of USD 31 thousand is included in the 2017 consolidated financial statements related to this liability.

Lundin Petroleum has charged the Group USD 504 thousand in respect of office space rental and USD 2,042 thousand in respect of shared services provided since the Spin-Off date. IPC has charged Lundin Petroleum USD 461 thousand in respect of consultancy fees in 2017.

All transactions with related parties are in the normal course of business and are made on the same terms and conditions as with parties at arm's length.

Remuneration of Directors and Senior Management

Remuneration of Directors and Senior Management includes all amounts earned and awarded to the Group's Board of Directors and Senior Management. Senior Management includes the Group's President and Chief Executive Officer, Chief Financial Officer, General Counsel and Corporate Secretary, Vice President of Operations, Vice President of Reservoir Development and Vice President of Corporate Planning and Investor Relations.

Directors' fees include Board and Committee fees. Management's short-term wages, bonuses and benefits include salary, benefits, bonuses and any other compensation earned or awarded in 2017 from the Spin-Off date.

USD Thousands	2017
Directors' fees	334
Management's short-term wages, bonuses and benefits	2,712
	3,046

At December 31, 2017, IPC share-based incentive plans remain unvested.

There are no other material related party transactions.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Operational Review

Malaysia

Peninsular Malaysia

Average daily net production from the Bertam field on Block PM307 (WI 75%) during 2016 was ahead of forecast at 8,607 boe/d with an uptime of 99%. 2016 production increased by 58% relative to 2015, when full year average daily net production was 5,480 boe/d. The main reason for the material improvement in 2016 compared to 2015 is that the Bertam field was onstream for only a part of 2015, as first oil was achieved in April 2015. The Bertam field was producing from 11 wells as of mid-October 2015 with one additional well, the A15 long-reach well, commencing production in June 2016 following

the successful Bertam-3 appraisal well from 2015, which was drilled northeast of the Bertam field. The A15 well results were better than forecast, with production being constrained by facilities limitations. Overall field performance was better than forecast due to better than expected reservoir performance. However, this outperformance was partially offset by the shut-in of two production wells in 2016 in relation to replacement of downhole electrical submersible pumps and for production shut-ins due to rig moves.

In October 2015, Lundin Petroleum drilled one exploration well on PM307 targeting the Mengkuang prospect, around 75 kilometres northwest of the Bertam field. The well identified non-commercial gas volumes in nine-metre high-quality reservoir sands.

In 2015, Lundin Petroleum was assigned 40% of JX Nippon Oil and Gas Corporation's equity in PM308A, taking Lundin Petroleum's working interest to 75%. Subsequent to this licence assignment in 2015, Lundin Petroleum drilled the Selada prospect straddling blocks PM307 and PM308A; however, the well failed to encounter any hydrocarbons.

Lundin Petroleum relinquished blocks PM308A and PM319 in 2016 due to a lack of prospectivity in the blocks.

Sabah, East Malaysia

Lundin Petroleum completed the drilling of the Imbok well on Block SB307/308 (WI 65%) in early January 2016. The well encountered only oil shows in Miocene sands and was plugged and abandoned as dry. Following drilling of the Imbok well, the rig was moved to drill the Bambazon prospect, also on Block SB307/308, which encountered 15 metres of net reservoir pay with oil shows. However, no moveable oil was recovered from sampling and the well was plugged and abandoned as dry. The West Prospero rig subsequently moved to the Maligan prospect on Block SB307/308 and, while gas shows were encountered, the well was plugged and abandoned as dry.

Farm-Out Agreements

Lundin Petroleum signed a farm-out agreement with Dyas in December 2015 whereby Lundin Petroleum has transferred a 20% working interest in Block SB307/308 (WI 65% after farm-out) and a 20% working interest in Block SB303 (WI 55% after farm-out), located offshore Sabah, East Malaysia. In addition, Dyas acquired from Lundin Petroleum a 15% working interest in Block PM328 (WI 35% after farm-out), located offshore Peninsular Malaysia.

France

Average daily net production in 2016 from France was slightly above forecast at 2,565 boe/d, but was 6% below the 2015 net production levels. 2015 average daily net production was 2,730 boe/d, which was substantially in line with expectations. Good production performance during 2016 was achieved from the Vert La Gravelle field (WI 100%) in the Paris Basin and the fields in the Aquitaine Basin (WI 50%).

In August 2015, it was established that production flowlines on the Villeperdue field in the Paris Basin had failed a pressure test and as a precautionary measure these flowlines were shut-in. The majority of the production reliant upon the shut-in flowlines was re-routed to a water injection flowline and thus most of the shut-in production was resumed through the water injection flowline within a few weeks from shutting-in the production flowlines.

In the Aquitaine Basin a pipeline failure in July 2015 led to trucking operations being put in place. Such trucking operations will remain in place until the pipeline has been repaired.

In 2015, the construction of onshore facilities and the drilling and completion of two development wells on the Vert la Gravelle re-development project in the Paris Basin was finalized and the wells commenced production according to expectations. Due to the lower oil price environment in 2015, it was decided to defer the remaining five wells of the Vert la Gravelle re-development until the oil price recovers.

The Netherlands

Average daily net production in 2016 from the Netherlands was ahead of forecast at 1,569 boe/d. 2016 average daily net production decreased by 11% relative to 2015 average daily net production of 1,746 boe/d, with 2015 also being ahead of expectations due to good performance from the new Slootdorp 6 and 7 development wells, which commenced production in July 2015.

The Langezwaag-3 well (WI 7.75%), on the onshore Gorredijk licence, was drilled during the third quarter 2016 and put on production in November 2016.

The drilling of the offshore K5-F3 development well was completed and the well was put on production in the third quarter of 2016.

The F3-B106 side-track well commenced drilling in December 2016 and was drilling ahead at year end. During the fourth quarter of 2016 the installation of compression on the E17a platform was completed and successfully started up.

The K5-A5 development well within the K4/K5 unit (WI 1.216%) was successfully drilled in 2014 and commenced production in May 2015. The E17-A5 (WI 1.20%) development well was successfully drilled and completed during the in 2015 and commenced production in July 2015. The K5-A6 development well within the K4/K5 unit (WI 1.216%) was drilled during 2015; however, the reservoir was found to be depleted and the well was plugged and abandoned.

Production

Average daily net production for the year ended December 31, 2016 increased by 28% to 12,742 boe/d compared to 9,955 boe/d for the year ended December 31, 2015. The increase was mainly due to a full year of production from the Bertam field in Malaysia, which came onstream in April 2015 with further development wells drilled during 2015, partly offset by natural reservoir decline in France and the Netherlands.

Production in Mboepd	Year ended December 31	
	2016	2015
Crude oil		
Malaysia	8.6	5.5
France	2.6	2.7
Total crude oil production	11.2	8.2
Gas		
Netherlands	1.6	1.7
Total gas production	1.6	1.7
Total production	12.8	9.9
Quantity in MMboe	4.66	3.63

Financial Review

During the year ended December 31, 2016, the Oil and Gas Assets generated revenue of USD 209.9 million, compared to USD 172.1 million for the year ended December 31, 2015. This increase was primarily related to higher production in 2016 compared to 2015, partially offset by realized sales prices that were 11% lower.

Net result for the financial year 2016 amounted to a charge of USD 95.7 million, compared with a charge of USD 181.6 million for 2015. The net result in 2016 was reduced by non-cash USD 126.0 million after-tax impairment charges in relation to the impairment of gas discoveries in Malaysia compared to the net result in 2015, which included a non-cash USD 191.7 million after-tax impairment charge relating to the Bertam field and exploration blocks.

Total cash flow from operating activities for the financial year 2016 amounted to USD 109.4 million, compared to USD 66.8 million for 2015. The increase is due to higher production revenues and favourable changes in working capital balances. Investment in oil and gas properties amounted to USD 34.1 million for 2016 compared to USD 177.1 million for 2015. The decrease is attributable to the continued Bertam field development incurred in 2015.

Income Statement

Revenue

Total revenue for the financial year 2016 amounted to USD 209.9 million, compared with USD 172.1 million for 2015. The following table summarizes the components of total revenue for the 12 months ended 2016 and 2015, respectively.

USD Thousands	Year ended December 31	
	2016	2015
Crude oil sales	165,752	121,842
Gas and NGL sales	24,964	24,620
Change in under/overlift position	217	-353
Other operating revenue	18,947	25,984
Total revenue	209,880	172,094

Crude Oil Sales

Crude oil sales for the financial year 2016 amounted to USD 165.8 million, compared with USD 121.8 million for 2015, representing an increase of 36%. The volumes sold in 2016 were 52% higher than in 2015 primarily due to a full year of contribution of sales from the Bertam field in Malaysia, which commenced production in April 2015. The average realized sales price achieved in 2016 was USD 44.85/bbl compared to USD 50.18/bbl in 2015, a reduction of 11%. The average realized sales price is based on quoted Brent crude prices. The average market Brent crude price was USD 43.73/bbl in 2016 and USD 52.39/bbl in 2015.

	Year ended – December 31, 2016			
	Malaysia	France	Netherlands	Total
Crude oil sales				
- Revenue in USD thousands	125,823	39,887	42	165,752
- Quantity sold in bbls	2,787,829	907,023	1,228	3,696,080
- Average price realized USD per bbl	45.13	43.98	33.82	44.85

	Year ended – December 31, 2015			
	Malaysia	France	Netherlands	Total
Crude oil sales				
- Revenue in USD thousands	71,208	50,577	58	121,842

- Quantity sold in bbls	1,455,630	971,362	1,153	2,428,145
- Average price realized USD per bbl	48.92	52.07	50.20	50.18

Gas and NGL Sales

All gas and NGL sales were attributable to the Netherlands assets. Gas and NGL sales for the financial year 2016 amounted to USD 25.0 million, compared with USD 24.6 million for 2015. The lower revenue in 2016 in Netherlands reflected lower prevailing gas prices compared to 2015. The average realized sales price achieved in 2016 was USD 27.04/boe compared to USD 38.88/boe in 2015. The following table summarizes the components of crude oil and gas and NGL sales for the 12 months ended 2016 and 2015, respectively.

	Year ended – December 31, 2016				
	Malaysia	France	Netherlands	Indonesia	Total
Gas and NGL sales					
- Revenue in USD thousands	–	–	15,695	9,269	24,964
- Quantity sold in Mcf	–	–	3,482,363	1,069,066	4,551,429
- Average price realized USD per Mcf	–	–	4.51	8.67	5.48

	Year ended – December 31, 2015				
	Malaysia	France	Netherlands	Indonesia ¹	Total
Gas and NGL sales					
- Revenue in USD thousands	–	–	24,620	–	24,620
- Quantity sold in Mcf	–	–	3,799,620	–	3,799,620
- Average price realized USD per Mcf	–	–	6.48	–	6.48

¹ Indonesia was not considered in the preparation of the carve-out financial statements and hence not reported as a region of the Corporation.

Change in Under/Overlift Position

An under/overlift position occurs where a partner in a field sells less (underlift) or more (overlift) than its share of liftings of production as determined by such partner's Working Interest in the relevant field. In other words, one partner will have taken more than its share (overlifted) and another will have taken less than its share (underlifted). An underlift of production from a field is included as a receivable in the balance sheet and an overlift of production is included as a liability, both valued at the reporting date market price or prevailing contract price. The change in the underlift or overlift position is recorded through the income statement as revenue. Sales versus production volume timing differences due to under/overlift of entitlement quantities amounted to a USD 0.2 million credit to the income statement in 2016 compared with a USD 0.4 million charge in 2015.

Other Operating Revenue

Other operating revenue amounted to USD 18.9 million for 2016, compared to USD 26.0 million for 2015, and included third party FPSO Bertam lease income, tariff income from France and the Netherlands, income for maintaining strategic inventory levels in France and service income for services provided by IPBV mainly to the Norwegian operations of Lundin Petroleum. Other operating revenue included FPSO Bertam lease income (which began to be received in April 2015) of USD 15.6 million in 2016 compared to USD 11.3 million in 2015 and this increase in 2016 was offset by lower service income of USD 4.5 million in 2016 compared to USD 11.4 million in 2015 due to less capital project activity.

Production Costs

Production costs amounted to USD 59.2 million for 2016, compared to USD 41.5 million for 2015. The following table summarizes production costs for the 12 months ended 2016 and 2015, respectively.

	Year ended – December 31, 2016					
USD Thousands	Malaysia	France	Netherlands	Indonesia	Other ²	Total
Operating costs	73,032	22,476	9,947	1,358	(46,664)	60,149
USD/boe ¹	23.18	23.94	17.32	7.00	n/a	12.38
Change in inventory position	975	(1,969)	–	–	–	(994)
Production costs	74,007	20,507	9,947	1,358	(46,664)	59,155

	Year ended – December 31, 2015					
USD Thousands	Malaysia	France	Netherlands	Indonesia	Other ²	Total
Operating costs	49,191	25,176	11,945	–	(35,062)	51,249
USD/boe ¹	24.59	25.26	18.75	–	n/a	14.10
Change in inventory position	(9,731)	(45)	–	–	–	(9,776)
Production costs	39,460	25,131	11,945	–	(35,062)	41,474

¹ USD/boe in the tables above is calculated by dividing the cost by the production volume for each country for the period.

² Included in the Malaysia production costs is the lease cost for the FPSO Bertam which is owned by the Group. Other represents the FPSO Bertam lease fee self-to-self payment elimination. Netting the self-to-self elimination against the operating costs in Malaysia reduces the operating cost per boe to USD 8.37 and USD 7.07 for Malaysia for the years ended December 31, 2016 and 2015 respectively. Due to the spin-off, such amount is not reflected for the year ended December 31, 2015.

Cost of Operations

Operating costs in Malaysia amounted to USD 73.0 million in 2016, compared to USD 49.2 million in 2015. The increased costs in 2016 were primarily related to a full year of costs of operations from the Bertam field, which came onstream in April 2015. Two production wells that were shut-in during the first half of 2016 were successfully worked over, which also resulted in an increase in cost of operations.

The operating costs in France amounted to USD 22.5 million in 2016, compared to USD 25.2 million in 2015, and in the Netherlands amounted to USD 9.9 million in 2016, compared to USD 11.9 million in 2015. The decreases in 2016 compared to 2015 are largely attributable to cost reduction initiatives in the lower oil price environment, including optimization of operations and maintenance activities.

Change in Inventory

The change in inventory position amounted to a USD 1.0 million credit to the income statement in 2016 compared to a USD 9.8 million credit to the income statement in 2015. The inventory levels on the FPSO Bertam at the end of 2016 were similar to those at the end of 2015 and so there was not a significant movement through the income statement in respect of 2016.

Depletion

The total depletion charge amounted to USD 85.2 million for 2016 compared to USD 92.6 million for 2015. The following table summarizes the components of depletion charges for the 12 months ended 2016 and 2015, respectively.

	Year ended – December 31, 2016			
	Malaysia	France	Netherlands	Total
Depletion in USD thousands	61,086	14,380	9,721	85,187
Depletion USD per boe	19.39	15.32	16.93	17.53

	Year ended – December 31, 2015			
	Malaysia	France	Netherlands	Total
Depletion in USD thousands	66,399	15,473	10,701	92,573
Depletion USD per boe	33.20	15.53	16.79	25.48

The decrease in the total depletion charge for 2016 compared to 2015 is mainly due the lower depletion rate on the Bertam field in Malaysia following the impairment taken at the end of 2015, despite the lower rate being applied to a higher production volume from the field. In respect of France and the Netherlands, the depletion rates are calculated on a field-by-field basis and the overall charge is the weighted average of the depletion rate and production contribution for each field. In France and the Netherlands, the decreased charge in 2016 compared to 2015 is attributable to lower production volumes with the average depletion charge per boe relatively unchanged.

Depreciation of Other Assets

The total depreciation of other assets amounted to USD 31.1 million for 2016, compared to USD 23.7 million for 2015, and related to the depreciation of the FPSO Bertam, which is being depreciated on a straight line basis over the six year lease period which commenced in April 2015.

Exploration Costs

Total expensed exploration costs amounted to USD 14.4 million for 2016 compared to USD 37.6 million for 2015. In 2016, costs related to the unsuccessful Bambazon and Maligan exploration wells drilled in the first quarter of 2016 on the SB307/308 licence in Malaysia were expensed and amounted to USD 13.1 million. A further USD 1.3 million relating to the K5-F3 well in the Netherlands was expensed in 2016.

In 2015, the expensed exploration costs related mainly to three unsuccessful exploration wells drilled in Malaysia on the blocks PM308A (Selada), PM307 (Mengkuang) and SB307/308 (Imbok).

Exploration and appraisal costs are capitalized as they are incurred. When exploration drilling is unsuccessful, the capitalized costs are expensed. All capitalized exploration costs are reviewed on a regular basis and are expensed where there is uncertainty regarding their recoverability.

Impairment Costs

Impairment costs amounted to USD 126.0 million for 2016, compared to USD 191.8 million for 2015, and mainly related to the gas discoveries in the Sabah region offshore East Malaysia and the Tembakau gas discovery in PM307 offshore Peninsular Malaysia. While these discoveries will remain in the portfolio of the Corporation, management considers it unlikely that any of these discoveries can be commercialized within a reasonable timeframe and therefore deems it prudent to impair the carried costs.

Sale of asset

Sale of asset for 2016 amounted to a charge of USD 3.5 million (2015 – nil) and relates to the sale of the Singa field, Indonesia, in April 2016.

Other Income

Other income for 2016 amounted to USD 4.8 million (2015 – nil). The amount received related to a final settlement of a 2007 legal dispute in France.

General, Administrative and Depreciation Expenses

The general, administrative and depreciation expenses for 2016 amounted to USD 1.9 million, compared to USD 18.0 million for 2015. The decrease in 2016 is primarily due to the absence of management fees in 2016 as opposed to various assumptions considered in the carve-out financial statements in 2015.

Financial Income

Financial income for 2016 amounted to USD 19.1 million, compared to USD 54.3 million for 2015. Included in these amounts are net foreign exchange gains amounting to USD 23.7 million in 2016 and USD 53.6 million in 2015. The foreign exchange gains mainly related to revaluation of US Dollar intra-group loans lent by a subsidiary whose functional currency is the Euro.

Financial Expenses

Financial expenses for 2016 amounted to USD 3.7 million, compared to USD 3.8 million for 2015, and is comprised mainly of the unwinding of the discount rate on the asset retirement obligations. Asset retirement obligations estimates are discounted back to a present value when reflected in the balance sheet and the discounting is unwound through the income statement.

Income Tax

The corporate income tax charge for 2016 was USD 4.9 million, compared to a USD 1.0 million credit for 2015.

Financial Condition, Capital Resources and Liquidity

Non-Current Assets

Oil and Gas Properties

As at December 31, 2016, oil and gas properties amounted to USD 317.8 million, with USD 130.6 million capitalized in Malaysia, USD 168.3 million capitalized in France and USD 18.9 million capitalized in the Netherlands.

Development and exploration and appraisal expenditure incurred in 2016 was as follows:

USD millions	Malaysia	France	Netherlands	Other	Total
Development	15.2	2.8	2.5	–	20.5
Exploration and evaluation	14.2	0.3	0.6	(0.3)	14.8
	29.4	3.1	15.1	(0.3)	35.3

In Malaysia, USD 15.2 million in development expenditures were incurred primarily on the drilling and facilities tie-in work of the Bertam A15 development well. The exploration expenditure of USD 14.2 million mainly related to the Bambazon and Maligan exploration wells on block SB307/308.

Other Tangible Assets

Other tangible fixed assets amounted to USD 152.2 million as at December 31, 2016, which included USD 150.0 million in respect of the FPSO Bertam.

Deferred Tax Assets

Deferred tax assets amounted to USD 12.0 million as at December 31, 2016 and mainly related to the Bertam field.

Current Assets

As at December 31, 2016, current assets amounted to USD 87.1 million and is primarily comprised of USD 48.2 million in trade receivables due on oil and gas sales of, cash balances of USD 13.4 million and hydrocarbon and well inventory positions of USD 25.1 million.

Non-Current Liabilities

As at December 31, 2016, provisions amounted to USD 93.6 million. The asset retirement obligation provision as at December 31, 2016, amounted to USD 91.0 million, with USD 22.6 million relating to the Bertam field in Malaysia, USD 27.4 million relating to the French assets and USD 41.0 million relating to the Dutch assets. This amount is net of a USD 8.8 million payment that IPC Malaysia BV (formerly Lundin Malaysia BV) made into an abandonment fund administered by the Malaysian authorities in respect of the eventual decommissioning of the Bertam field. The farm-in payment provision amounted to USD 5.0 million and related to a provision for payments towards historical costs based on production milestones on the Bertam field.

The deferred taxes liability amounted to USD 46.6 million as at December 31, 2016, and mainly arises on the excess of the accounting book value over the tax value of oil and gas properties.

Current Liabilities

As at December 31, 2016, current liabilities amounted to USD 26.7 million and is primarily comprised of amounts owed to joint operations creditors of USD 14.2 million and accrued expenses of USD 3.7 million.

Selected Annual Financial Information

The following table sets out financial information for the Oil and Gas Assets over the last eight quarters. The financial information set out below has been derived from the Financial Statements. The following information should be read in conjunction with such financial statements and the accompanying notes. See "Risk Factors".

USD Thousands (unless stated)	2016	Quarterly financial information				2015	Quarterly financial information			
		Q4 2016	Q3 2016	Q2 2016	Q1 2016		Q4 2015	Q3 2015	Q2 2015	Q1 2015
Production (Mboepd)	12.8	12.3	12.9	12.8	14.5	10.0	13.6	12.8	8.8	4.6
Revenue	209,880	59,592	48,498	55,568	46,222	172,094	47,055	53,842	48,325	22,873
Gross profit/(loss)	(105,639)	(114,600)	9,631	16,029	(16,699)	(215,034)	(234,704)	948	9,368	9,353
Net result	(95,720)	(76,097)	4,522	26,954	(51,099)	(181,565)	(220,918)	(979)	(16,735)	57,066
Earnings per share – USD ¹	(0.84)	(0.67)	0.04	0.24	(0.45)	(1.60)	(1.95)	(0.01)	(0.15)	(0.50)
Earnings per share fully	(0.84)	(0.67)	0.04	0.24	(0.45)	(1.60)	(1.95)	(0.01)	(0.15)	(0.50)

diluted – USD¹

¹ For comparative purposes, the Corporation's Common Shares issued under the Spin-Off, have been assumed to be outstanding as of the beginning of each period prior to the Spin-Off.

Off-Balance Sheet Arrangements

Lundin Petroleum did not enter into any off-balance sheet events in respect of the Oil and Gas Assets during 2016 and therefore had no off-balance sheet arrangements in respect of such assets as at December 31, 2016.

Related Party Transactions

In the normal course of business, the IPC Subsidiaries that own the Oil and Gas Assets have entered into various transactions with related parties on an arms-length basis, which transactions are reflected in the Financial Statements.

Management fees of USD 12.5 million were charged from Lundin Petroleum in 2016 and are reflected in the general administration and depreciation expenses line of the income statement. These fees relate to the direct and indirect costs of management and personnel in Lundin Petroleum that were managing the Oil and Gas Assets but not charging to the entities on a direct basis such as timewriting.

IPBV received a head office contribution which is reflected in other operating revenue of USD 4.1 million from its subsidiary, Lundin Norway AS. This represents 2% of total revenue for 2016. Lundin Norway AS itself does not form part of the Financial Statements as it is not held by the Corporation.

There are no other material related party transactions.

Changes in Accounting Policies

For the years 2015 to September 30, 2018, there have been no significant changes in the accounting policies adopted.

As from January 1, 2014, the following accounting standards have been applied:

- IFRS 10, "Consolidated financial statements": The objective of the standard is to build on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the combined financial statements.
- IFRS 11, "Joint arrangements": The standard is focusing on the rights and obligations of the joint arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest.
- IFRS 12, "Disclosures of interests in other entities": The standard introduced a range of new and expanded disclosure requirements. These require the disclosure of significant judgements and assumptions made by management in determining whether there is joint control and if there is a joint venture, a joint operation or another form of interest.
- IFRS 13, "Fair value measurement".

As from January 1, 2018, the following accounting standards have been applied:

- IFRS 9 "Financial instruments": The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. The Group adopted IFRS 9 effective January 1, 2018 and applied it on a retrospective basis. The application of IFRS 9 has

not resulted in any differences between the previous carrying amounts and the carrying amounts at the date of initial application of IFRS 9.

- IFRS 15 “Revenue from contract with customers”: The Group adopted IFRS 15 effective January 1, 2018 and applied it on a retrospective basis. IFRS 15 provides guidance on the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Group has reviewed its revenue contracts and has determined that there were no material impact on the financial statements with respect to the application of IFRS 15.

The Corporation has not adopted the following accounting standard that is not yet mandatory:

- IFRS 16 “Leases”: IFRS 16 will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with early adoption permitted. The Group does not intend to adopt the standard before its effective date. The standard will affect primarily the accounting for the Group’s operating leases. As at the reporting date, the group has no material non-cancellable operating lease commitments. The quantitative impact of the adoption of IFRS 16 is currently being evaluated.

CERTAIN FINANCIAL INFORMATION REGARDING BLACKPEARL

The financial data that is presented below has been derived from the audited consolidated financial statements for the financial years ended December 31, 2017 – 2015 and from the unaudited interim consolidated financial statements for the nine-month period ending on September 30, 2018 and 2017 for BlackPearl, incorporated by reference in the prospectus. BlackPearl’s financial statements have been prepared in accordance with IFRS, as adopted by the IASB. Rounding-off differences may arise in all tables.

Condensed Consolidated Balance Sheets

Canadian dollars in thousands	Unaudited Sept 30, 2018	Unaudited Sept 30, 2017	Audited December 31, 2017	Audited December 31, 2016	Audited December 31, 2015
ASSETS					
Current assets					
Cash and cash equivalents	3,961	24,102	8,214	5,368	2,300
Trade and other receivables	18,803	15,611	14,821	13,391	10,801
Inventory	219	245	217	46	605
Prepaid expenses and deposits	1,563	1,067	810	705	1,283
Fair value of risk management assets	49	1,425	2,541	–	10,548
	24,595	42,450	26,603	19,510	25,537
Fair value of risk management assets	129	–	–	–	–
Deferred tax assets	11,585	–	7,495	–	–
Exploration and evaluation assets	180,103	172,777	175,004	170,737	169,493
Property, plant and equipment	701,489	630,719	674,194	542,157	613,314
	917,901	845,946	883,296	732,404	808,344

LIABILITIES

Current liabilities

Accounts payable and accrued liabilities	32,462	48,657	37,541	17,950	13,939
Current portion of decommissioning liabilities	656	400	1,176	644	535
Current portion of deferred consideration	549	412	549	404	–
Fair value of risk management liabilities	31,454	1,838	11,798	5,507	–
	65,121	51,307	51,064	24,505	14,474
Fair value of risk management liabilities	2,882	2,344	1,684	452	1,223
Decommissioning liabilities	81,782	70,844	82,212	71,122	66,392
Deferred consideration	13,319	14,145	13,731	14,425	88,000
Long-term debt	123,560	72,738	92,944	–	–
	286,664	211,378	241,635	110,504	170,089
Shareholders' equity					
Share capital	971,673	970,894	970,894	970,513	970,134
Contributed surplus	48,921	44,594	45,215	42,994	39,800
Deficit	(389,357)	(380,920)	(374,448)	(391,607)	(371,679)
	631,237	634,568	641,661	621,900	638,255
	917,901	845,946	883,296	732,404	808,344

Condensed Consolidated Statements of Comprehensive Income/(Loss)

	Unaudited Jan – Sep 2018	Unaudited Jan – Sep 2017	Audited FY 2017	Audited FY 2016	Audited FY 2015
Canadian dollars in thousands, except for per share amounts					
Revenue					
Oil and gas sales	142,191	107,800	151,286	109,066	96,271
Deferred consideration	412	272	549	–	–
Royalties	(17,284)	(15,229)	(21,128)	(13,785)	(16,067)
Net oil and gas revenue	125,319	92,843	130,707	95,281	80,204
Gain (loss) on risk management contracts	(39,816)	4,958	(4,618)	(4,490)	25,924
	85,503	97,801	126,089	90,791	106,128
Expenses					
Production	45,067	40,313	52,811	43,334	56,246
Transportation	8,374	6,661	8,656	7,801	3,194
General and administrative	6,757	6,144	8,358	6,896	7,676
Depletion and depreciation	34,076	31,275	42,026	44,626	51,950
Impairment of property, plant and equipment	–	–	–	–	33,000
Finance costs	6,047	2,027	3,276	4,723	3,078
Stock-based compensation	4,213	1,709	2,330	3,302	5,866
Foreign currency exchange loss	(32)	230	238	46	(141)
	104,502	88,359	117,695	110,728	160,869

Other income					
Gain on disposition of properties	–	1,110	1,110	–	–
Interest income	–	135	160	9	53
	–	1,245	1,270	9	53
Income (loss) before income taxes	(18,999)	10,687	9,664	(19,928)	(54,688)
Income taxes					
Current income tax	–	–	–	–	123
Deferred income tax recovery	(4,090)	–	(7,495)	–	(8,018)
Net and comprehensive income (loss) for the period	(14,909)	10,687	17,159	(19,928)	(7,895)
Income (loss) per share					
Basic	(0.04)	0.03	0.05	(0.06)	(0.14)
Diluted	(0.04)	0.03	0.05	(0.06)	(0.14)

Condensed Consolidated Statement of Changes in Equity as at September 30, 2018 and as at September 30, 2017

Canadian dollars in thousands	Unaudited			
	Share capital	Contributed surplus	Deficit	Total equity
	Nine months ended September 30, 2018			
Balance at January 1, 2018	970,894	45,215	(374,448)	641,661
Net and comprehensive income (loss) for the year	–	–	(14,909)	(14,909)
Stock-based compensation	–	4,213	–	4,213
Shares issued on exercise of stock options	295	–	–	295
Shares cancelled	(23)	–	–	(23)
Transfer to share capital on exercise of stock options	119	(119)	–	–
Settlement of restricted share units	388	(388)	–	–
Balance at September 30, 2018	971,673	48,921	(389,357)	631,237
	Nine months ended September 30, 2017			
	Share capital	Contributed surplus	Deficit	Total equity
Balance at January 1, 2017	970,513	42,994	(391,607)	621,900
Net and comprehensive income for the year	–	–	10,687	10,687
Stock-based compensation	–	1,709	–	1,709
Shares issued on exercise of stock options	272	–	–	272
Transfer to share capital on exercise of stock options	109	(109)	–	–
Balance at September 30, 2017	970,894	44,594	(380,920)	634,568

Condensed Consolidated Statements of Cash Flows

	Unaudited	Unaudited	Audited	Audited	Audited
Canadian dollars in thousands	Jan – Sep 2018	Jan – Sep 2017	FY 2017	FY 2016	FY 2015
Operating activities					
Net and comprehensive income (loss) for the year	(14,909)	10,687	17,159	(19,928)	(46,793)
Items not involving cash:					
Depletion and depreciation	34,076	31,275	42,026	(19,928)	51,950
Impairment of property, plant and equipment	–	–	–	–	33,000
Accretion of decommissioning liabilities	1,420	1,211	1,663	1,461	1,646
Amortization of debt issuance costs	617	206	411	–	–
Stock-based compensation	4,213	1,709	2,330	3,302	5,866
Foreign exchange loss	(129)	11	–	31	8
Deferred consideration	(412)	(272)	(549)	–	–
Deferred income tax expense (recovery)	(4,090)	–	(7,495)	–	(8,018)
Unrealized loss on risk management contracts	23,217	(3,202)	4,982	15,283	11,303
Gain on disposition of properties	–	(1,110)	(1,110)	–	–
Decommissioning costs incurred	(426)	(565)	(790)	(580)	(531)
Changes in non-cash working capital	2,959	691	(512)	(1,704)	13,913
Cash flow from operating activities	46,536	40,641	58,115	42,491	62,344
Financing activities					
Proceeds on issue of common shares, net of costs	295	272	272	271	–
Proceeds on issue of senior secured second lien notes, net of debt issuance costs	–	72,320	72,320	–	–
Proceeds on issue of senior credit facilities	40,000	40,000	60,000	–	68,000
Repayment of senior credit facilities	(10,000)	(40,000)	(40,000)	(88,000)	(9,000)
Cash flow from (used in) financing activities	30,295	72,592	92,592	(87,729)	59,000
Investing activities					
Capital expenditures – exploration and evaluation assets	(4,682)	(2,095)	(4,304)	(967)	(3,477)
Capital expenditures – property, plant and equipment	(63,743)	(123,287)	(165,613)	(9,958)	(64,885)
Proceeds from disposition of properties	–	3,421	3,421	55,000	–
Changes in non-cash working capital	(12,756)	27,240	18,397	4,216	(53,451)
Cash flow from (used in) investing activities	(81,181)	(94,721)	(148,099)	48,291	(121,813)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	97	222	238	15	(149)
Increase (decrease) in cash and cash equivalents	(4,253)	18,734	2,846	3,068	(618)
Cash and cash equivalents, beginning of period	8,214	5,368	5,368	2,300	2,918
Cash and cash equivalents, end of period	3,961	24,102	8,214	5,368	2,300

Commentary on the financial development of BlackPearl

For a commentary on the financial development of BlackPearl referenced is made to BlackPearl's Management's Discussion and Analysis for the financial years ended December 31, 2017 – 2015 and the nine-month period ending on September 30, 2018, incorporated by reference in the prospectus.

PRO FORMA FINANCIAL INFORMATION

Pro Forma Financial Information of IPC After Giving Effect to the Arrangement and the Suffield Acquisition

The following tables set out the unaudited pro forma consolidated financial statements of IPC for the year ended December 31, 2017 and as at and for the nine months ended September 30, 2018, including the notes thereto. Reference should also be made to the (a) Financial Statements, (b) BlackPearl annual and interim financial statements, each of which are either included or incorporated by reference herein and which can be found under IPC's and BlackPearl's respective profiles on SEDAR at www.sedar.com (c) Suffield Assets' operating statements which are not included or incorporated by reference herein but available on pages 152-156 in IPC's prospectus dated June 5, 2018 which can be found on IPC's website www.international-petroleum.com.

Unaudited Pro Forma Combined Condensed Consolidated Balance Sheet as at September 30, 2018

<i>Thousands USD</i>	Unaudited IPC	Unaudited BlackPearl (1)	Unaudited Pro Forma Adjustments	Note	Unaudited Pro Forma IPC
Non-current assets					
Exploration and evaluation assets	9,151	138,402	(138,402)	2.D	9 151
Property, plant and equipment, net	690,709	539,068	(65,515)	2.A	1,164,262
Other tangible fixed assets, net	99,044	-	-		99,044
Financial assets	3	99	-		102
Deferred tax assets	2,796	8,903	38,287	2.E	49,986
Total non-current assets	801,703	686,472	(165,630)		1,322,545
Current assets					
Inventories	27,644	168	-		27,812
Trade and other receivables	74,440	15,651	-		90,091
Derivative instruments	28	38	-		66
Current tax	7,182	-	-		7,182
Cash and cash equivalents	8,135	3,044	-		11,179
Total current assets	117,429	18,901	-		136,330
TOTAL ASSETS	919,132	705,373	(165,630)		1,458,875
LIABILITIES					
Non-current liabilities					
Financial liabilities	216,891	94,951	1,106	2.C	312,948
Provisions	174,501	62,846	(24,942)	2.B	212,406
Deferred tax liabilities	58,799	-	-		58,799
Derivative instruments	-	2,215	-		2,215
Deferred consideration	-	10,235	-		10,235
Total non-current liabilities	450,191	170,247	(23,836)		596,602

Current liabilities					
Trade and other payables	76,185	24,947	-		101,132
Provisions	13,640	504	-		14,144
Derivative instruments	460	24,171	-		24,631
Current tax liabilities	2,203	-	-		2,203
Current portion of deferred consideration	-	422	-		422
Total current liabilities	92,488	50,044	-		142,532
EQUITY					
Shareholders' equity	376,660	485,082	(141,794)	2.A	719,948
Non-controlling interest	(207)	-	-		(207)
Net shareholders' equity	376,453	485,082	(141,794)		719,741
TOTAL EQUITY AND LIABILITIES	919,132	705,373	(165,630)		1,458,875

(1) The information is based upon BlackPearl's unaudited numbers for the period in CAD but has for the purposes of this pro forma been converted into USD with a USD/CAD rate of 1.3013

Unaudited Pro Forma Combined Condensed Consolidated Statement of Operations for the nine months ended September 30, 2018

<i>Thousands USD</i>	<i>Unaudited IPC</i>	<i>Unaudited BlackPearl (1)</i>	<i>Unaudited Reclass- ification</i>	<i>Unaudited Pro Forma Adjustments</i>	<i>Note</i>	<i>Unaudited Pro Forma IPC</i>
Sales of oil and gas	333,672	110,440	-	-		444,112
Change in under/over lift position	397	-	-	-		397
Other Revenue	14,213	-	-	-		14,213
Deferred Consideration	-	320	-	-		320
Royalties	(5,737)	(13,424)	-	-		(19,161)
Total Revenue	342,545	97,336	-	-		439,881
Cost of operations	(95,089)	(35,003)	-	-		(130,092)
Tariff and transportation expenses	(12,397)	(6,504)	-	-		(18,901)
Direct production taxes	(6,206)	-	-	-		(6,206)
Change in inventory position	6,480	-	-	-		6,480
Other costs	(19,834)	-	-	-		(19,834)
Production costs	(127,046)	(41,507)	-	-		(168,553)
Operating income	215,499	55,829	-	-		271,328
Depletion and decommissioning costs	(71,006)	(26,467)	-	1,906	3.2.A	(95,567)
Depreciation of other assets	(23,538)	-	-	-		(23,538)
Exploration and business development costs	(402)	-	-	-		(402)
Impairment costs	-	-	-	-		-
Gross Profit	120,553	29,362	-	1,906		151,821
Loss on risk management contracts	-	(30,925)	-	-		(30,925)
Stock based Compensation	-	(3,272)	3,272	-	3.1.A	-
General administrative and depreciation expenses	(9,912)	(5,248)	(3,272)	-	3.1.A	(18,432)
Profit before financial items	110,641	(10,083)	-	1,906		102,464
Finance income	889	-	-	-		889
Foreign exchange loss, net	(6,176)	25	-	-		(6,151)
Unwinding of asset retirement obligation discount	(7,035)	(1,103)	-	(818)	3.2.B	(8,956)
Interest expense	(11,820)	(3,115)	-	-		(14,935)
Amortization of loan fees	(2,525)	(479)	-	-		(3,004)
Loan commitment fees	(583)	-	-	-		(583)
Other financial costs	(242)	-	-	-		(242)
Net financial items	(27,492)	(4,672)	-	(818)		(32,982)
Profit before tax	83,149	(14,755)	-	1,088		69,482
Income tax	(8,851)	3,177	-	(294)	3.2.C	(5,968)
Net result	74,298	(11,578)	-	794		63,514

Net result attributable to:

Shareholders of the parent company	74,277	(11,578)	-	794	63,493
Non controlling interest	21	0	-	-	21
Earning per share - USD (2)	0.84	-0.03		3.2.D	0.39
Earning per share fully diluted - USD	0.83	-0.03			0.38
Weighted average common shares					
Basic	87,921,846	336,866,000	-336,866,000	75,600,777	163,522,623
Diluted	89,906,745	341,591,000	-341,591,000	75,600,777	165,507,522

(1) The information is based upon BlackPearl's unaudited numbers for the period in CAD but has for the purposes of this pro forma been converted into USD with a USD/CAD rate of 1.2875

(2) Based on net result attributable to shareholders of the Parent Company

Unaudited Pro Forma Combined Condensed Consolidated Statement of Operations for the year ended December 31, 2017

<i>Thousands USD</i>	<i>Audited IPC</i>	<i>Audited Suffield Assets (4)</i>	<i>Unaudited Pro Forma Ad- justments regarding the Suffield Assets</i>	<i>Unaudited IPC Pro Forma after the Suffield Acquisition (3)</i>	<i>Unaudited BlackPearl (1)</i>	<i>Unaudited Reclass- ification</i>	<i>Unaudited Pro Forma Ad- justments</i>	<i>Note</i>	<i>Unaudited Pro Forma IPC including both Suffield and BlackPearl</i>
Sales of oil and gas	185,182	185,659	-	370,841	116,535	-	-		487,376
Change in under/over lift position	(613)	-	-	(613)	-	-	-		(613)
Other Revenue	18,432	-	-	18,432	-	-	-		18,432
Deferred Consideration	-	-	-	-	423	-	-		423
Royalties	-	(7,183)	-	(7,183)	(16,275)	-	-		(23,458)
Total Revenue	203,001	178,476	-	381,477	100,683	-	-		482,160
Cost of operations	(53,389)	(54,984)	-	(108,373)	(40,680)	-	-		(149,053)
Tariff and transportation expenses	(3,361)	(36,202)	24,172	(15,391)	(6,668)	-	-		(22,059)
Direct production taxes	(3,999)	(112)	-	(4,111)	-	-	-		(4,111)
Change in inventory position	(3,688)	-	-	(3,688)	-	-	-		(3,688)
Other costs	-	-	(24,172)	(24,172)	-	-	-		(24,172)
Production costs	(64,437)	(91,298)	-	(155,735)	(47,348)	-	-		(203,083)
Operating income	138,564	-	-	225,742	53,335	-	-		279,077
Depletion and decommissioning costs	(54,555)	-	(44,315)	(98,870)	(32,372)	-	4,031	4.3.A	(127,211)
Depreciation of other assets	(31,629)	-	-	(31,629)	-	-	-		(31,629)
Exploration and business development costs	(3,786)	-	-	(3,786)	-	-	-		(3,786)
Impairment costs	164	-	-	164	-	-	-		164
Gross Profit	48,758	-	(44,315)	91,621	20,963	-	4,031		116,615
Sales of Assets	-	-	-	-	855	-	-		855
Gain (Loss) on risk management contracts	-	-	-	-	(3,557)	-	-		(3,557)
Stock based Compensation	-	-	-	-	(1,795)	1,795	-	4.2.A	-
General administrative and depreciation expenses	(10,400)	-	(1,600)	(12,000)	(6,438)	(1,795)	-	4.2.A	(20,233)
Profit before financial items	38,358	-	(45,915)	79,621	10,028	-	4,031		93,680
Finance income	94	-	-	94	123	-	-		217
Foreign exchange loss, net	(8,922)	-	-	(8,922)	(183)	-	-		(9,105)
Unwinding of asset retirement obligation discount	(3,557)	-	(5,346)	(8,903)	(1,281)	-	(824)	4.3.A	(11,008)
Interest expense	(1,378)	-	(12,285)	(13,663)	(926)	-	-		(14,588)
Amortization of loan fees	(700)	-	(2,748)	(3,448)	(317)	-	-		(3,765)
Loan commitment fees	(391)	-	(902)	(1,293)	-	-	-		(1,293)
Other financial costs	(53)	-	-	(53)	-	-	-		(53)
Net financial items	(14,907)	-	(21,281)	(36,188)	(2,584)	-	(824)		(39,595)
Profit before tax	23,451	-	(67,196)	43,433	7,444	-	3,207		54,085

Income tax	(728)	(5,395)	(6,123)	5,773	-	(866)	4.3.C	506
Net result	22,723	(72,591)	37,310	13,218	-	2,341		54,591
Net result attributable to: Shareholders of the parent company	22,718		37,305	13,218	-	2,341		54,586
Non controlling interest	5		5	-				5
Earning per share - USD (2)	0.23		0.38	0.04		4.3.D		0.31
Earning per share fully diluted - USD	0.23		0.38	0.04				0.31
Weighted average common shares								
Basic	98,587,027		98,587,027	336,230,000	-336,230,000	75,600,777		174,187,804
Diluted	99,138,548		99,138,548	339,555,000	-339,555,000	75,600,777		174,739,325

(1) BlackPearl's financial information in CAD has been audited but for purposes of this pro forma the information in CAD has been converted into USD with a USD/CAD rate of 1.2982

(2) Based on net result attributable to shareholders of the parent company

(3) Please refer to the note 4.1 for the IPC Pro Forma

(4) Note that the Suffield Assets operating statement was audited to the production costs line only and has been converted into US dollars using the average rate for the year ended December 31, 2017 of 1.2982 CAD/USD

Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements

On October 9, 2018, International Petroleum Corp. ("IPC" or the "Company") entered into an arrangement agreement to acquire BlackPearl Resources Inc. ("BlackPearl") pursuant to a plan of arrangement under Section 193 of the Business Corporations Act (Alberta) (the "Arrangement"). On January 5, 2018, the Company completed the acquisition of the Suffield area oil and gas assets in southern Alberta, Canada (the "Suffield Assets", while the acquisition of those assets is referred to as the "Suffield Acquisition").

1. Basis of presentation

These unaudited pro forma combined financial statements (the "pro forma information") of IPC have been prepared by management and reflect the assumed transaction and assumptions in connection with the Arrangement and the Suffield Acquisition. The pro forma information gives pro forma effect to the Arrangement and the Suffield Acquisition and debt necessary to finance the Suffield Acquisition in accordance with Annex II to Commission Regulation (EC) No 809/2004 by applying pro forma adjustments to IPC's, BlackPearl's and the Suffield Assets' historical financial statements. The pro forma reporting entity includes IPC and its subsidiaries as well as BlackPearl and the Suffield Assets.

The unaudited pro forma combined condensed consolidated balance sheet as at September 30, 2018 and the combined condensed consolidated statement of operations for the nine months ended September 30, 2018 gives effect to the BlackPearl Arrangement and assumptions described herein as if they had occurred on January 1, 2018. While the Suffield Acquisition did not close until January 5, 2018, it was considered to form part of IPC from the beginning of the year as the results are substantially similar to what would have been contributed had the acquisition occurred on January 1, 2018.

The unaudited pro forma combined condensed consolidated statement of operations for the year ended December 31, 2017 gives effect to the BlackPearl Arrangement and to the Suffield Acquisition (see "Note 4.1") and assumptions described herein as if they had occurred on January 1, 2017.

The accounting policies used in the preparation of the pro forma information are those set out in IPC's audited consolidated financial statements as at and for the year ended December 31, 2017 which were prepared in accordance with International Financial Reporting Standards ("IFRS") and IPC's unaudited combined condensed consolidated interim financial statements as at and for the nine months ended September 30, 2018, which were prepared in accordance with International Accounting Standard 34, using accounting policies consistent with IFRS. The pro forma information has been prepared from information derived from and should be read in conjunction with:

- IPC's audited consolidated financial statements as at and for the year ended December 31, 2017, together with the accompanying notes;
- IPC's unaudited combined condensed consolidated financial statements for the three and nine months ended September 30, 2018, together with the accompanying notes;
- BlackPearl's audited financial statements as at and for the year ended December 31, 2017, together with the accompanying notes;
- BlackPearl's unaudited financial statements for the three and nine months ended September 30, 2018, together with the accompanying notes; and
- the Suffield Assets' audited operating statement for the year ended December 31, 2017, together with the accompanying notes.

For the purposes of the unaudited pro forma combined statement of operations, the statement of operations for BlackPearl and the Suffield Assets for the year ended December 31, 2017 and the statement of operations for BlackPearl for the nine month period ended September 30, 2018, which are presented in Canadian dollars, have been translated into US dollars using the following foreign exchange rates:

Average rate for the year ended December 31, 2017: 1.2982 CAD/USD

Average rate for the nine month period ended September 30, 2018: 1.2875 CAD/USD

For the purposes of the unaudited pro forma combined condensed consolidated balance sheet, the consolidated balance sheet for BlackPearl as at September 30, 2018, which is presented in Canadian dollars, has been translated into US dollars using the following foreign exchange rate:

Closing rate for the nine month period ended September 30, 2018: 1.3013 CAD/USD

The description of certain line items in the Unaudited Combined Condensed Consolidated Statements of Comprehensive Income of BlackPearl and in the audited operating statement for the Suffield Assets have been changed to be consistent with the IPC unaudited interim combined condensed consolidated financial statements terminology and classification.

The pro forma information may not be indicative of the results that would have occurred if the events reflected herein had been in effect on the dates indicated or of the results which may be obtained in the future. No adjustments have been made to reflect the operating synergies and administrative cost savings that could result from the combination of these entities. The allocation of the total consideration to the net assets acquired in the Arrangement is preliminary and based on estimates of fair value and other amounts and such estimates may be adjusted in the future. As these amounts are preliminary, differences in the actual amounts assigned to the fair values of the identifiable assets and liabilities upon the completion of detailed valuations and calculations could differ materially and result in changes in periods subsequent to completion of the Arrangement. In the opinion of management, the pro forma information includes all material adjustments necessary for a fair presentation of the financial results and financial position of IPC. Pro forma financial information is by its nature intended to describe a hypothetical situation. The Corporation is only presenting the unaudited condensed pro forma financial information for illustrative purposes, and the unaudited condensed pro forma financial information should not be seen as an indication of the actual profits or financial position that would have occurred had the relevant events actually have occurred at the indicated dates. Further, the pro forma financial information should not be seen as an indication of the Corporation's future profit or financial position.

The unaudited condensed pro forma financial information should be read together with other information in the prospectus.

2. Pro forma Combined Condensed Consolidated Balance Sheet as at September 30, 2018

The unaudited pro forma combined condensed consolidated balance sheet as at September 30, 2018 gives effect to the Arrangement as if it had occurred on January 1, 2018, considering the assumptions described below.

A. Consideration and Purchase Price Allocation

Shares issued assumes 75,600,777 IPC common shares are issued to shareholders of BlackPearl at a share price of CAD 5.91 (USD 4.54) for a total consideration of USD 343,288 thousand. The price assumed in the pro forma information is based on BlackPearl's closing share price on October 18, 2018 of CAD 1.30. The number of IPC common shares issued is based on the estimated number of BlackPearl common shares outstanding, the estimated numbers of stock options "in the money" and RSUs which both vest on a change of control, multiplied by the 0.22 exchange ratio established in the Arrangement. The final consideration will change based on fluctuations in IPC's share price and the number of BlackPearl common shares outstanding on the closing date of the Arrangement. Determinations of fair value often require management to make assumptions and estimates about future events. The purchase price allocation is preliminary as the acquisition has not closed as of the date of the pro forma information.

The final calculation of the purchase price will be based on the fair value of the net assets purchased following the closing of the Arrangement and other information available at that time. There may be material differences from this pro forma purchase price allocation as a result of finalizing the valuation.

The Arrangement has been accounted for as a business combination using the acquisition method of accounting whereby the assets acquired and liabilities assumed are recognized at their fair value. The fair value assigned to the net assets acquired is preliminary and based on estimates and assumptions using information available at the time of preparation of this pro forma financial information.

Estimated number of IPC common shares to be issued		75,600,777
IPC common share price at October 26, 2018	CAD	5.91
Consideration	CAD '000	446,725
Consideration equivalent at an exchange rate of USD/CAD 1.13013	USD '000	343,288

Thousands USD

Fair value of assets and liabilities of BlackPearl acquired:

Cash and cash equivalents	3,044
Trade and other receivables	14,449
Inventory	168
Prepaid expenses and deposits	1,201
Fair value of risk management assets	137
Deferred tax assets	47,190
Exploration and evaluation assets	–
Property, plant and equipment	473,553
Accounts payable and accrued liabilities	(24,946)
Fair value of risk management liabilities	(26,386)
Decommissioning liabilities	(38,409)
Deferred consideration	(10,657)
Long-term debt	(96,057)
Net assets acquired	343,288

No goodwill or negative goodwill has been recognized in the preliminary allocation of the purchase price.

The amounts disclosed above were determined provisionally pending the finalization of the valuation for those assets and liabilities. Up to twelve months from the Effective Date of the Arrangement, further adjustments may be made to the fair values assigned to the identifiable assets acquired and liabilities assumed, as well as to the fair value of the consideration transferred.

B. Asset retirement obligations

The book value of asset retirement obligations as reflected in BlackPearl's balance sheet was measured using a risk-free rate of 2.45 per cent. For the purpose of the preliminary purchase price allocation, the fair value of asset retirement obligations was adjusted to use a credit adjusted risk-free rate of 8 per cent. As a result of the change in the discount factor used, an adjustment of USD 24,942 thousand has been recognized.

C. Financial liabilities

The fair value of the long term debt as recognized by BlackPearl has been adjusted for the capitalized borrowing costs for an amount of USD 1,106 thousand to recognize the full outstanding liability under the BlackPearl credit facilities being CAD 125,000 thousand (USD 96,057 thousand).

D. Exploration and evaluation ("E&E") assets

No value has been allocated to contingent resources and therefore IPC has not allocated any of the preliminary purchase price to the E&E assets.

E. Deferred Tax Assets

The net deferred tax assets was adjusted by USD 38,287 thousand by applying the Canadian income tax rate of 27% to the temporary differences identified within the preliminary purchase price allocation.

3. Pro Forma Combined Condensed Consolidated Statement of Operations for the nine month period ended September 30, 2018

The unaudited pro forma combined condensed consolidated statement of operations for the nine month period ended September 30, 2018 gives effect to the Arrangement as if it had occurred on January 1, 2018, considering the assumptions described below.

3.1 Reclassifications

Certain items have been reclassified in the unaudited pro forma combined condensed consolidated statement of operations to align revenues and expenses of BlackPearl to IPC's statement of operations presentation as follows.

A. Stock based compensation

The stock based compensation amount has been reclassified within the line "general administrative and depreciation expenses".

Other than this reclassification, management did not identify any material differences between the accounting policies applied by IPC and the accounting policies used in the preparation of the unaudited statement of operations of BlackPearl.

3.2 Pro forma adjustments

Pro forma adjustments have been made in the following lines of the unaudited pro forma combined condensed consolidated statement of operations.

A. Depletion and decommissioning costs

A decrease in the depletion charge of USD 1,906 thousand has been reflected to recognize the revised depletion base of the property, plant and equipment following the preliminary purchase price allocation. To calculate the adjustment, an average depletion rate per boe of CAD 9.93 was calculated and has been applied to total production volumes produced by BlackPearl as stated in their MD&A for the nine month period ended September 30, 2018.

B. Unwinding of asset retirement obligation discount

The unwinding of the discounting of the asset retirement obligation for BlackPearl has been adjusted based on the calculation made for the preliminary allocation of the purchase price. The discount rate assumed is 8 per cent and the discounting is being assumed to be unwound to the estimated dates of abandoning each well and facility belonging to BlackPearl. The adjustment amounts to USD 818 thousand for the nine month period ending September 30, 2018.

C. Income tax

A deferred tax credit has been recognised for an amount of USD 294 thousand to reflect the deferred tax impact on the pro forma adjustments. This adjustment was recorded using the Canadian income tax rate of 27%.

D. Earnings per share

Pro forma basic and diluted earnings per share was calculated using the pro forma net result divided by the weighted average number of IPC shares outstanding after giving effect to the Arrangement (see Note 2A).

4. Pro Forma Combined Condensed Consolidated Statement of Operations for the year ended December 31, 2017

The IPC combined condensed consolidated pro forma statement of operations for the year ended December 31, 2017 gives effect to the Suffield Acquisition and the Arrangement as if they had occurred on January 1, 2017.

4.1 IPC Combined Condensed Consolidated Pro Forma Statement of Operations for the year ended December 31, 2017 related to the Suffield Acquisition

The IPC combined condensed consolidated pro forma statement of operations gives effect to the Suffield Acquisition as if it had occurred on January 1, 2017. Please refer to "Note 1" above for the basis of presentation of the IPC combined condensed consolidated pro forma statement of operations giving effect to the Suffield Acquisition.

Unaudited Pro Forma Income Statement for 2017

	Audited	Audited	Unaudited	Unaudited
	IPC	Suffield Assets	Pro Forma	IPC Condensed
USD Thousands	Consolidated	Operating	Adjustments	Pro Forma
	Income	Statement ¹		Income
	Statement			Statement
Sales of oil and gas	185,182	185,659	–	370,841
Change in under/over lift position	(613)	–	–	(613)
Other revenue	18,432	–	–	18,432
Royalties	–	(7,183)	–	(7,183)
Total Revenue	203,001	178,476	–	381,477
Cost of operations	(53,389)	(54,984)	–	(108,373)
Tariff and transportation expenses	(3,361)	(36,202)	24,172	(15,391)
Direct production taxes	(3,999)	(112)	–	(4,111)
Change in inventory position	(3,688)	–	–	(3,688)

Other costs	–	–	(24,172)	(24,172)
Production costs	(64,437)	(91,298)	–	(155,735)
Depletion and decommissioning costs	(54,555)		(44,315)	(98,870)
Depreciation of other assets	(31,629)		–	(31,629)
Exploration and business development costs	(3,786)		–	(3,786)
Impairment costs	164		–	164
Gross Profit	48,758		(44,315)	91,621
General administrative and depreciation expenses	(10,400)		(1,600)	(12,000)
Profit before financial items	38,358		(45,915)	79,621
Finance income	94		–	94
Foreign exchange loss, net	(8,922)		–	(8,922)
Unwinding of asset retirement obligation discount	(3,557)		(5,346)	(8,903)
Interest expense	(1,378)		(12,285)	(13,663)
Amortization of loan fees	(700)		(2,748)	(3,448)
Loan commitment fees	(391)		(902)	(1,293)
Other financial costs	(53)		–	(53)
Net financial items	(14,907)		(21,281)	(36,188)
Profit before tax	23,451		(67,196)	43,433
Income tax	(728)		(5,395)	(6,123)
Net result	22,723		(72,591)	37,310

¹ Note that the Suffield Assets operating statement was audited to the production costs line only and has been translated into US dollars using the average rate for the year ended December 31, 2017 of 1.2982 CAD/USD.

See the accompanying notes to the Unaudited Condensed Pro Forma Income Statement.

Pro Forma adjustments

The unaudited condensed pro forma income statement gives effect to the Suffield Acquisition as if it had occurred on January 1, 2017, considering the assumptions described below.

Certain items have been reclassified in the unaudited condensed pro forma Operating Statement to appropriately align the revenues and expenses of the Suffield Assets to IPC's financial statements presentation. Cenovus purchased condensate to dilute oil production and meet pipeline specification for its Suffield oil products. A pro forma adjustment of USD 24,172 thousand relating to condensate used for blending, has been reflected in the unaudited condensed pro forma income statement to reclassify such item from the line "Tariff and transportation expenses" as reported under the Suffield Assets information into the line "Other costs".

Other than this reclassification, management did not identify any material difference between the accounting policies applied by IPC and the accounting policies used in the preparation of the audited operating statements for the Suffield Assets.

Pro forma Adjustments have been made in the following lines of the unaudited condensed pro forma income statement:

(i) *Depletion and decommissioning costs*

A depletion rate of CAD 6.44 per boe has been applied to total production volumes produced by the Suffield Assets for the year ended 2017. This depletion rate is based on the rate calculated for the financial statements for the first quarter of 2018 following the preliminary allocation of the purchase price. There have been no material changes to the preliminary allocation of the purchase price.

(ii) *General administrative and depreciation expenses*

Additional general, administrative and depreciation expenses have been included in the pro forma to reflect the estimated annual amount that would have been charged to the income statement had the Suffield Acquisition completed on January 1, 2017.

(iii) *Unwinding of asset retirement obligation discount*

The unwinding of the discounting of the abandonment retirement obligation for the Suffield Assets has been included based on the calculation made for the preliminary allocation of the purchase price. The discount rate assumed is 8 per cent and the discounting is being assumed to be unwound to the estimated dates of abandoning each well and facility belonging to the Suffield Assets.

(iv) Interest expense, amortization of loan fees and loan commitment fees

The interest expense, amortization of loan fees and loan commitment fees have been calculated assuming that the financing associated with the Suffield Acquisition was entered into on January 1, 2017. All cash flow generated for 2017 from the Suffield Assets has been assumed to have been used to partly repay the Canadian loan facility. Average 2017 floating interest rates of 1.2 percent and 1.1 percent were applied for the International reserve-based lending facility and the Canadian loan facility respectively.

(v) Income tax

Income tax on the pro forma Canadian taxable income for 2017 has been applied at the Canadian tax rate of 27 percent.

4.2 Reclassifications relating to the BlackPearl Acquisition

Certain items have been reclassified in the unaudited pro forma combined condensed consolidated statement of operations to align revenues and expenses of BlackPearl to IPC's statement of operations presentation as follows.

A. Stock based compensation

The stock based compensation amount has been reclassified within the line "general administrative and depreciation expenses".

Other than this reclassification, management did not identify any material differences between the accounting policies applied by IPC and the accounting policies used in the preparation of the unaudited statement of operations of BlackPearl.

4.3 Pro Forma Adjustments relating to the BlackPearl Acquisition

Pro forma adjustments have been made in the following lines of the unaudited pro forma combined condensed consolidated statement of operations.

A. Depletion and decommissioning costs

A decrease in the depletion charge of USD 4,031 thousand has been reflected to recognize the revised depletion base of the property, plant and equipment following the preliminary purchase price allocation. To calculate the adjustment, an average depletion rate per boe of CAD 9.93 was calculated and has been applied to total production volumes produced by BlackPearl as stated in their MD&A for the year ended December 31, 2017.

B. Unwinding of asset retirement obligation discount

The unwinding of the discounting of the asset retirement obligation for BlackPearl has been included based on the calculation made for the preliminary allocation of the purchase price. The discount rate assumed is 8 per cent and the discounting is being assumed to be unwound to the estimated dates of abandoning each well and facility belonging to BlackPearl. The adjustment amounts to USD 824 thousand for year ended December 31, 2017.

C. Income tax

A deferred tax credit has been recognised for an amount of USD 866 thousand to reflect the deferred tax impact on the pro forma adjustments. This adjustment was recorded using the Canadian income tax rate of 27%.

D. Earnings per share

Pro forma basic and diluted earnings per share was calculated using the pro forma net result divided by the weighted average number of IPC shares outstanding after giving effect to the Arrangement (see Note 2A).

Assurance Report

PricewaterhouseCoopers AG has performed an assurance engagement on the unaudited combined pro forma financial statements in accordance with International Standard on Assurance Engagements 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus as is described below. However, neither the assumptions underlying the pro forma adjustments nor the resulting pro forma financial information have been audited in accordance with International Standards on Auditing ("ISA"). Any reliance investors place on this information should fully take this into consideration.



INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

To the Board of Directors of International Petroleum Corporation ("IPC"):

We have completed our assurance engagement to report on the compilation of pro forma financial information of IPC by management. The pro forma financial information consists of the pro forma combined condensed consolidated balance sheet as at September 30, 2018, the pro forma combined condensed consolidated statements of operations for the year ended December 31, 2017 and the nine-month period ended September 30, 2018 and related notes as set out on pages 219 – 231 of the prospectus issued by IPC. The applicable criteria on the basis of which management has compiled the pro forma financial information are specified in Annex II to Commission Regulation (EC) No 809/2004 and described in Note 1 – *Basis of Presentation* (the applicable criteria).

The pro forma financial information has been compiled by management to illustrate the impact of (i) the acquisition of BlackPearl Resources Inc. ("BlackPearl") on IPC's financial position as at September 30, 2018 and IPC's financial performance for the year ended December 31, 2017 and the nine-month period ended September 30, 2018 as if the transaction had taken place at September 30, 2018, January 1, 2017 or January 1, 2018, respectively, and (ii) the acquisition of the Suffield Assets on IPC's financial performance for the year ended December 31, 2017 as if the transaction had taken place at January 1, 2017. As part of this process, information about the financial position and financial performance of IPC, BlackPearl and the Suffield Assets has been extracted by management from (i) IPC's consolidated financial statements for the year ended December 31, 2017, on which an audit report has been published, (ii) IPC's interim combined condensed consolidated financial statements for the nine-month period ended September 30, 2018, on which a review report has been published (iii) BlackPearl's consolidated financial statements for the year ended December 31, 2017, on which an audit report has been published, (iv) BlackPearl's consolidated interim financial statements for the nine-month period ended September 30, 2018, on which no audit or review report has been published and (v) the Suffield Assets' operating statements for the year ended December 31, 2017, on which an audit report has been published.

Management's Responsibility for the Pro Forma Financial Information

Management is responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Practitioner's Responsibilities

Our responsibility is to express an opinion as required by Annex II item 7 of Commission Regulation (EC) No 809/2004 about whether the pro forma financial information has been compiled, in all material respects, by management on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at January 1, 2017, January 1, 2018 or September 30, 2018, respectively, would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been properly compiled on the basis stated and such basis is consistent with the accounting policies of IPC.

PricewaterhouseCoopers AG



Steve Johnson Colin Johnson

November 28, 2018

DESCRIPTION OF SHARE CAPITAL

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without par value, of which 87,921,846 Common Shares are issued and outstanding as at the date of this prospectus. The Corporation does not hold any treasury shares.

All of the Common Shares outstanding are fully paid and non-assessable. Holders of Common Shares are entitled to dividends if, as and when declared by the Board, to receive notice of meetings of shareholders of the Corporation, to one vote per share at meetings of the shareholders of the Corporation and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the votes eligible to vote at a meeting of shareholders may elect all the directors of the Corporation standing for election. Dividends, if any, will be paid on a pro rata basis only from funds legally available therefore.

The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

The Common Shares are not subject to any offer made due to a mandatory bid obligation, redemption right or redemption obligation, nor have the Common Shares been subject to a public takeover offer during the current or the past financial year. The Corporation's articles do not impose any transfer restrictions on the Common Shares.

The Common Shares are currently listed on the TSX and Nasdaq Stockholm under the symbol "IPCO". The ISIN for the Common Shares is CA46016U1084. All Common Shares traded on Nasdaq Stockholm are registered in Euroclear Sweden and are not represented by physical share certificates. The Common Shares are denominated in Canadian dollars.

Preferred Shares

The Corporation is authorized to issue an unlimited number of Class A Preferred Shares (the "**Class A Preferred Shares**"), of which 117,485,389 Class A Preferred Shares are issued and outstanding as at December 31, 2017 and at the date of this Prospectus, and an unlimited number of Class B Preferred Shares (the "**Class B Preferred Shares**"), issuable in series, none of which is issued and outstanding. All of the issued and outstanding Class A Preferred Shares of the Corporation are held by a subsidiary of the Corporation.

The Class A Preferred Shares are not listed on any stock exchange and do not carry the right to vote on matters to be decided by the holders of the Corporation's Common Shares. The Class A Preferred Shares are entitled to non-cumulative dividends at a rate of 5% per year (in priority to dividends on all other classes of shares of the Corporation, if, as and when declared by the Board; and no dividends may be declared or paid to holders of any other class of shares of the Corporation without the consent of the majority of the holders of the Class A Preferred Shares, acting together as a class, if the declaration and payment of such dividend would impede the ability of the Corporation to satisfy the aggregate Redemption Amount in respect of the Class A Preferred Shares.

The Class B Preferred Shares, if issued, will have priority over the Common Shares with respect to dividends and other distributions, including the distribution of assets upon liquidation, dissolution or winding-up of the Corporation. Unless required by law or by applicable stock exchanges, the Board has the authority without further shareholder authorization to issue from time to time the Class B Preferred Shares in one or more series, to fix the terms, special rights and restrictions of each series and to make any necessary alterations to its articles to effect the change.

Please refer to section "Equity Based Compensation Arrangements" – "The Corporation's Stock Option Plan", "Transitional Equity-Based Compensation Arrangements" and "Performance and Restricted Share Plan" for more information on the Share-based plans.

IPC Share Issuance Resolution

The Arrangement, if completed, will result in the acquisition of all of the issued and outstanding BlackPearl Shares by IPC on the basis of 0.22 of an IPC Share for each BlackPearl Share held. Based on the 337,263,507 BlackPearl Shares issued and outstanding as of November 9, 2018, the Arrangement would result in an aggregate of 74,197,972 IPC Shares being issued pursuant to the Arrangement with respect to such BlackPearl Shares, subject to additional IPC Shares issued in connection with the rounding of fractional IPC Share entitlements, as provided in the Plan of Arrangement. In addition, there were also an aggregate of 25,151,663 BlackPearl Options outstanding as of November 9, 2018, which may be exercised into an aggregate of 25,151,663 BlackPearl Shares (equivalent to 5,533,366 IPC Shares based on the Exchange Ratio under the Arrangement), and an aggregate of 2,828,328 BlackPearl RSUs outstanding as of November 9, 2018 which may be settled for an aggregate of 2,828,328 BlackPearl Shares (equivalent to 622,232 IPC Shares based on the Exchange Ratio under the Arrangement). Based on the foregoing, the number of IPC Shares potentially issuable pursuant to the Arrangement upon the exchange of BlackPearl Shares and upon the potential exercise of BlackPearl Options and settlement of the BlackPearl RSUs, respectively, is 80,353,570. In order to ensure an adequate number of IPC Shares are approved for issuance pursuant to the Arrangement to account for clerical and administrative matters, including the rounding of fractional IPC Share entitlements, approval will also be sought to issue up to 803,536 IPC Shares. Notwithstanding the foregoing, based on the Exchange Ratio, it is expected that IPC will, subject to any further issuance of BlackPearl Shares, BlackPearl Options or BlackPearl RSUs, issue approximately 75.6 million IPC Shares, representing approximately 85.99% of the currently issued and outstanding IPC Shares, in connection with the Arrangement.

Accordingly, IPC Shareholders will be asked to consider and, if deemed advisable, approve the issuance of up to 81,157,106 IPC Shares in connection with the Arrangement, consisting of: (a) up to 74,197,972 IPC Shares to be issued based on the number of BlackPearl Shares issued and outstanding as of November 9, 2018; (b) up to 6,155,598 IPC Shares that may be issued upon the exercise of BlackPearl Options and settlement of the BlackPearl RSUs (including any IPC Shares issued in exchange for BlackPearl Shares issued upon the exercise of BlackPearl Options and settlement of BlackPearl RSUs from the date hereof to the Effective Time); and (c) up to an additional 803,536 IPC Shares to account for clerical and administrative matters, including the rounding of fractional IPC Share entitlements pursuant to the Plan of Arrangement.

The TSX requires shareholder approval in circumstances where an issuance of securities will result in the issuance of 25% or more of the issuer's outstanding securities on a non-diluted basis in connection with an acquisition. As the Arrangement may result in the issuance of a number of IPC Shares equal to approximately 92.30% of the 87,921,846 currently issued and outstanding IPC Shares on a non-diluted basis, the IPC Share Issuance Resolution must be approved by a majority of the votes cast by IPC Shareholders who vote in person or by proxy at the IPC Shareholders' Meeting after excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual. Notwithstanding the foregoing, based on the Exchange Ratio, IPC expects to issue approximately 75.6 million IPC Shares pursuant to the Arrangement, representing approximately 85.99% of the number of IPC Shares issued and outstanding (on a non-diluted basis) as of the date hereof. The Arrangement is not expected to materially affect control of IPC. The TSX will generally not require further shareholder approval for the issuance of up to an additional 20,289,277 IPC Shares, such number being 25% of the number of IPC Shares approved by IPC Shareholders for the Arrangement. IPC does not currently expect to issue any additional IPC Shares pursuant to the foregoing.

The TSX also requires shareholder approval in circumstances where the number of securities issued or issuable to insiders as a group, together with any securities issued or made issuable to insiders as a group for acquisitions during the preceding six months, in payment of the purchase price for an acquisition exceeds 10% of the number of securities of the listed issuer (on a non-diluted basis), prior to the date of closing of the transaction. In such cases, insiders receiving securities pursuant to the transaction are not eligible to vote their securities in respect of such approval. As the number of IPC Shares issuable as consideration under the Arrangement to insiders of IPC, as a group, is expected to be equal to approximately 14.04% of the number of IPC Shares outstanding (on a non-diluted basis) as of the date hereof, the IPC Share Issuance Resolution must be approved by the IPC Shareholders, excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to

Section 611(b) of the TSX Company Manual. It is expected that the votes in respect of an aggregate of 28,789,050 IPC Shares, representing approximately 32.74% of the outstanding IPC Shares, will be excluded pursuant to Section 611(b) of the TSX Company Manual for the purpose of determining approval of the IPC Share Issuance Resolution.

At the IPC Shareholders' Meeting, IPC Shareholders will be asked to vote to approve the IPC Share Issuance Resolution in the form set forth in Appendix A to the Circular. The IPC Share Issuance Resolution must be approved by a majority of the votes cast by the IPC Shareholders present in person or represented by proxy at the IPC Shareholders' Meeting after excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual.

Unless otherwise directed, the Persons named in the form of proxy for the IPC Shareholders' Meeting intend to vote in favour of the IPC Share Issuance Resolution.

Share Capital

The following table sets forth the Common Shares issued by the Corporation since incorporation:

Date	Change in number of Common Shares	Issue Price Per Share (CAD)	Aggregate Issue Price (CAD)	Event	Nature of Consideration
January 13, 2017	1	1.00	1.00	New share issue	Cash
April 7, 2017	113,462,147	4.77	541,214,440	New share issue	Initial Oil and Gas Assets
June 14, 2017	-25,540,302	N/A	N/A	Cancellation	N/A
Balance as at December 31, 2017	87,921,846	N/A	N/A	N/A	N/A
Balance as at the date of prospectus	87,921,846	N/A	N/A	N/A	N/A

Principal Securityholders

To the knowledge of the Corporation, no person or corporation owns or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares other than as set out below:

Name	Ownership	Number of Common Shares⁽²⁾	Percentage of Common Shares⁽²⁾
Nemesia S.à.r.l. ⁽¹⁾	Of record and beneficially	28,062,512	31.92%

Notes:

- (1) Lorito Holdings S.a.r.l. and Zebra Holdings and Investments S.a.r.l., two private companies controlled by a trust settled by the late Adolf H. Lundin, together hold 100% of the outstanding Class C shares of Nemesia and control Nemesia.
- (2) All Common Shares carry the same voting rights.

Lukas H. Lundin, the Chairman of the IPC Board, C. Ashley Heppenstall, a member of the IPC Board, and Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l., which together hold 100% of the outstanding Class C shares of Nemesia S.à.r.l. and control Nemesia S.à.r.l., beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 56,098,585 BlackPearl Shares, representing approximately 16.63% of the outstanding BlackPearl Shares. Mr. Lundin, Mr. Heppenstall and Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l. (which control Nemesia S.à.r.l.) are expected to receive 12,341,689 IPC Shares under the Arrangement, which

represents approximately 14.04% of the number of IPC Shares outstanding (on a non-diluted basis) as of the date hereof. Following completion of the Arrangement, Mr. Lundin, Mr. Heppenstall and Nemesia S.à.r.l., together with Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l. (which control Nemesia S.à.r.l.), are expected to beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 41,130,739 IPC Shares.

DIRECTORS AND EXECUTIVE OFFICERS

The following table provides the name, municipality of residence, positions held with the Corporation, number of Common Shares beneficially owned or controlled or directed as of the date of this prospectus and principal occupation during the preceding five years of each of the directors and executive officers of the Corporation.

Each director will hold office until the next annual meeting of shareholders or until his successor is duly elected unless his office is earlier vacated in accordance with the Corporation's articles. The executive officers' respective appointments will not be time limited and can only be terminated in accordance with their respective employment agreements or under applicable employment law.

Name	Offices Held and Time as Director or Officer	Number of Securities Beneficially Owned or Controlled	Principal Occupation (for last 5 years)
Lukas H. Lundin ⁽¹⁾	Chairman since April 2017	262,777 Common Shares 25,000 Options	Corporate director
Mike Nicholson	CEO and Director since April 2017	190,817 Common Shares 500,000 Options 406,872 Performance Common Shares ⁽⁵⁾	CEO of the Corporation since April 2017; CFO, Lundin Petroleum until April 2017
C. Ashley Heppenstall ⁽²⁾⁽³⁾	Director since April 2017	463,761 Common Shares 25,000 Options	Corporate director; President and CEO, Lundin Petroleum until September 2015
Donald Charter ⁽¹⁾⁽²⁾⁽⁴⁾	Director since April 2017	72,333 Common Shares 25,000 Options	Corporate director; President and CEO, Corsa Coal Corp. until 2013
Chris Bruijnzeels ⁽²⁾⁽³⁾⁽⁴⁾	Director since April 2017	25,000 Options	President and CEO, ShaMaran Petroleum Corp. since January 2015; prior thereto, Senior Vice President Development of Lundin Petroleum
Torstein Sanness ⁽¹⁾⁽³⁾	Director since April 2017	25,037 Common Shares 25,000 Options	Corporate director; Managing Director and later Chairman of Lundin Norway until 2015
Daniella Dimitrov ⁽²⁾⁽⁴⁾	Director since May 2018	Nil	Partner at Sprott Capital Partners since October 2017; corporate development, strategy and governance consulting roles through DDimitrov Advisory Corp.

			from March 2016 to September 2017; Chief Financial Officer then President and CEO of Orvana Mineral Corp. until February 2016
Christophe Nerguararian	CFO since April 2017	69,149 Common Shares 175,000 Options 122,298 Performance Common Shares ⁽⁵⁾	Vice-President Corporate Finance, Lundin Petroleum until April 2017
Jeffrey Fountain	General Counsel and Corporate Secretary since April 2017	89,780 Common Shares 175,000 Options 167,341 Performance Common Shares ⁽⁵⁾	Vice-President Legal of Lundin Petroleum until April 2017
Rebecca Gordon	VP Corporate Planning and Investor Relations since April 2017	2,100 Common Shares 100,000 Options 40,105 Performance and Restricted Common Shares ⁽⁵⁾	Group Manager, Economics and Planning of Lundin Petroleum until April 2017
Daniel Fitzgerald	VP Operations since April 2017	15,000 Common Shares 100,000 Options 40,339 Performance and Restricted Common Shares ⁽⁵⁾	Group Operations Manager of Lundin Petroleum until April 2017
Ryan Adair	VP Reservoir Development since April 2017	100,000 Options 42,843 Performance and Restricted Common Shares ⁽⁵⁾	Group Subsurface Manager of Lundin Petroleum until April 2017

Notes:

- (1) Member of Compensation Committee.
- (2) Member of Audit Committee.
- (3) Member of Reserves and HSE Committee.
- (4) Member of Nominating and Corporate Governance Committee.
- (5) Common Shares subject to the IPC Transitional PSP, the IPC Transitional RSP and the 2018 Plan.

Biographies of Directors and Officers

Lukas H. Lundin, Chairman of the Board

Place of Residence: Switzerland

Born in 1958, Lukas H. Lundin graduated from the New Mexico Institute of Mining and Technology (engineering) in 1981.

In 1982, Mr. Lundin headed the oil and gas operations of International Petroleum Corporation (not related to the Corporation) and was based in Dubai, U.A.E. From 1990 to 1995, he was President of International Musto Exploration Limited and was responsible for Musto's acquisition of the Bajo de la Alumbrera deposit. Bajo de la Alumbrera was the subject of a USD 500 million takeover by Rio Algom and North Limited. Mr. Lundin was also responsible for Argentina Gold and the discovery of the multi-million ounce Veladero gold deposit. Veladero was the subject of a USD 300 million takeover by Homestake in 1999. In addition, Mr. Lundin was a senior director of Lundin Oil and was instrumental in the USD 480 million takeover of Lundin Oil by Talisman Energy in 2001.

Mr. Lundin currently serves as Executive Chairman and Director of Denison Mines Corp.; Chairman and Director of Filo Mining Corp.; Chairman and Director of Lundin Gold Inc.; Chairman and Director of Lucara Diamond Corp.; Chairman and Director of Lundin Mining Corporation; Director of Lundin Petroleum AB; Chairman and Director of NGEx Resources Inc.; and Chairman of Bukowskis Auctioner AB.

During the past five years, Mr. Lundin has been, but is no longer, President of Namdo Management Services Ltd.; Director of Newmarket Gold Inc.; Chairman and Director of RB Energy Inc. (formerly Sirocco Mining Inc./Canada Lithium Corp. and prior thereto, Atacama Minerals Corp.); Chairman and Director of Vostok Gas Ltd.; and Chairman and Director of Vostok Nafta Investment Ltd.

Mr. Lundin is independent for the purposes of NI 58-101. Based upon an assessment pursuant to the Swedish Corporate Governance Code (the "**Swedish Code**"), Mr. Lundin is considered independent of the Corporation and management, but not independent of the Corporation's major shareholders, due to the Lundin family's shareholding in the Corporation.

Mike Nicholson, CEO and Director

Place of Residence: Switzerland

Born in Scotland in 1971, Mike Nicholson graduated from Aberdeen University where he obtained a degree in Economics and Management Studies.

Between 1994 and 1996, Mr. Nicholson worked as a consulting economist for AUPEC Ltd. in Aberdeen. From 1996 to 2004, he worked in various economics, financial and banking roles with Veba Oel, Canadian Imperial Bank of Commerce and Marathon Oil in London.

Mr. Nicholson joined Lundin Petroleum in 2005 as Group Economics and Commercial Manager. He became General Manager of the Malaysia business in 2008 and Managing Director of the South East Asia business in 2012. He was appointed as CFO of Lundin Petroleum in 2013.

Mr. Nicholson has not served as a member of the administrative, management or supervisory bodies or partner of any company outside the Lundin group in the last 5 years.

Mr. Nicholson is not independent for the purposes of NI 58-101 because he is part of management of the Corporation. Based upon an assessment pursuant to the Swedish Code, Mr. Nicholson is considered independent of the Corporation's major shareholders, but not independent of the Corporation and management due to his position as Chief Executive Officer of the Corporation.

C. Ashley Heppenstall, Director

Place of Residence: United Kingdom

Born in England in 1962, Ashley Heppenstall is a graduate of Durham University where he obtained a degree in Mathematics.

From 1984 until 1990, he worked in the banking sector where he was involved in project financing of oil and mining businesses. In 1990, Mr. Heppenstall was a founding director and shareholder of Sceptre Management Limited.

Mr. Heppenstall has worked with public companies associated with the Lundin family since 1993. In 1998 he was appointed Finance Director of Lundin Oil AB. Following the acquisition of Lundin Oil by Talisman Energy in 2001, Lundin Petroleum was formed and he was appointed President & CEO in 2002 until he stood down in 2015. Mr. Heppenstall currently serves as Director of Africa Energy Corp., Etrion Corp., Filo Mining Corp., Lundin Gold Corp., Lundin Petroleum AB and ShaMaran Petroleum Corp.

During the past five years, Mr. Heppenstall has been, but is no longer, Director of Vostok Nafta Investment Ltd.

Mr. Heppenstall is independent for the purposes of NI 58-101. Based upon an assessment pursuant to the Swedish Code, Mr. Heppenstall is not independent of the Corporation's major shareholders as he is a director of several companies in which entities associated with the Lundin family hold significant ownership interests. Mr. Heppenstall is furthermore not deemed independent of the Corporation and the Corporation's management since he was the previous President and CEO of Lundin Petroleum until September 30, 2015 and thereby worked closely with the management of the Corporation and in relation to the Corporation's operations and business.

Donald Charter, Director

Place of Residence: Canada

Donald Charter became the Chairman of the Board of Directors of IAMGOLD Corporation in May 2015. An experienced corporate director, he serves on two other public company boards: Lundin Mining Corporation and Dream Office REIT. Mr. Charter has extensive senior executive leadership experience, most recently, as President and CEO of Corsa Coal, a public metallurgical coal company with operations in the US that he successfully built from a non-operating startup to an established domestic and international supplier of US low vol metallurgical coal. Mr. Charter's business experience includes financial services, mining (precious metals, base metals, iron ore, coal) and real estate.

Mr. Charter is a graduate of McGill University with degrees in Economics and Law. He began his career in Toronto, building a successful business law practice. Mr. Charter left law and joined the Dundee group of companies as an Executive Vice President with capital markets related responsibilities. He became the founding Chairman and CEO of the Dundee Securities group of companies, and oversaw its growth from a startup to a major independent financial services company. After ten years, Mr. Charter left this group and, in addition to Corsa, has focused his attention on consulting (he has had consulting roles in the private, private equity and hedge fund sectors), and corporate directorships. In addition to his executive leadership positions, Mr. Charter has extensive board level experience having been involved in several corporate boards and having sat on and chaired a number of audit, compensation, governance, special, independent and strategic committees in various corporate situations. He has completed the Institute of Corporate Directors, Directors Education Program and is a member of the Institute.

Mr. Charter currently serves as a director of Dream Office REIT, IAMGOLD Corporation, and Lundin Mining Corporation; President and Director of 3Cs Corporation and Chairman of HGC Holdings Genpar Inc.

During the past five years, Mr. Charter has been, but is no longer, Director of Corsa Coal Corp, LAC Otelnuik Mining Ltd. and Sprott Resources Holdings Inc. (formerly Adriana Resources Inc.).

Mr. Charter is independent for the purposes of NI 58-101. Based upon an assessment pursuant to the Swedish Code, Mr. Charter is considered independent of the Corporation, management and the Corporation's major shareholders.

Chris Bruijnzeels, Director

Place of Residence: Switzerland

Mr. Chris Bruijnzeels was born in the Netherlands in 1959 and is a graduate of Delft University where he obtained a degree in Mining Engineering. Mr. Bruijnzeels joined Lundin Petroleum in 2003 and was responsible for Lundin Petroleum's operations, reserves and the development of its asset portfolio. From

1985 until 1998, Mr. Bruijnzeels worked for Shell International in the Netherlands, Gabon and Oman in several reservoir engineering functions. In 1998, he joined PGS Reservoir Consultants in the UK where he worked as Principal Reservoir Engineer and Director of Evaluations. Chris Bruijnzeels became President and CEO of ShaMaran Petroleum Corp. in July 2015. Mr. Bruijnzeels previously acted as Senior Vice President Development of Lundin Petroleum. Mr. Bruijnzeels has over 33 years of experience in the oil and gas industry.

Mr. Bruijnzeels currently serves as a director of General Exploration Partners, Inc. and ShaMaran Petroleum Corp.

During the past five years, Mr. Bruijnzeels has been, but is no longer, the Senior VP of Development of Lundin Petroleum.

Mr. Bruijnzeels is independent for the purposes of NI 58-101. Based upon an assessment pursuant to the Swedish Code, Mr. Bruijnzeels is considered independent of the Corporation, management and the Corporation's major shareholders.

Torstein Sanness, Director

Place of Residence: Norway

Torstein Sanness is formerly the Managing Director until 2015 and then the Chairman until 2017 of Lundin Norway, a subsidiary of Lundin Petroleum AB. Previously, he held positions with Saga Petroleum and Norske Oljeselskap AS.

Mr. Sanness is a graduate of the Norwegian Institute of Technology in Trondheim where he obtained a Master of Engineering (geology, geophysics and mining engineering).

Mr. Sanness currently serves as Director of Lundin Petroleum AB, Sevan Marine ASA, Panoro Energy ASA and TGS-NOPEC ASA.

During the past five years, Mr. Sanness has not served as a member of the administrative, management or supervisory bodies or partner of any other company.

Mr. Sanness is independent for the purposes of NI 58-101. Based upon an assessment pursuant to the Swedish Code, Mr. Sanness is considered independent of the Corporation, management and the Corporation's major shareholders.

Daniella Dimitrov, Director

Place of Residence: Canada

Daniella Dimitrov was born in Romania in 1969 and has a Law degree from the University of Windsor Law School and a Global Executive Master of Business Administration from the Kellogg School of Management & Schulich School of Business. She is a Canadian citizen.

From 1994 to 2000, Ms. Dimitrov practiced corporate and securities law with one of the largest law firms in Canada and then moved on the corporate world where she worked in various executive roles, including as President and CEO and, prior to that, CFO of Orvana Minerals Corp., a gold-copper producer; Executive Vice-Chair of Baffinland Iron Mines Corporation; and COO of Dundee Securities Corporation. Currently, Ms. Dimitrov is Partner, Sprott Capital Partners, a division of Sprott Private Wealth LP, a merchant bank with a focus on natural resources.

Ms. Dimitrov currently serves as a director of Excellon Resources Inc. (also chair) and Nexa Resources S.A.

During the past five years, Ms. Dimitrov has been, but is no longer, director of Commonwealth Silver & Gold Inc. (also chair), Orvana Minerals Corp., Alloycorp Mining Inc., Aldridge Minerals Inc. as well as President and CEO/CFO of Orvana Minerals Corp. and has held corporate development, strategy and governance consulting roles through DDimitrov Advisory Corp.

Ms. Dimitrov is independent for the purposes of NI 58-101. Based upon an assessment pursuant to the Swedish Code, Ms. Dimitrov is considered independent of the Corporation, management and the Corporation's major shareholders.

Christophe Nerguararian, CFO

Place of Residence: Switzerland

Christophe Nerguararian was born in France in 1975 and has an Engineering degree from Ecole Centrale de Lyon and a Masters in Finance from Université Lyon II.

From 1998 to 2011, Mr. Nerguararian worked in various banking and finance roles for BNP Paribas in Paris and Geneva, most recently as Head of the Upstream Finance team for Central and Eastern Europe.

Mr. Nerguararian joined Lundin Petroleum in 2012 as Head of Corporate Debt and Commercial Manager and was appointed Vice President Corporate Finance of Lundin Petroleum in 2016. He is no longer an officer of Lundin Petroleum.

During the past five years, Mr. Nerguararian has not served as a member of the administrative, management or supervisory bodies or partner of any company outside the Lundin Petroleum group.

Jeffrey Fountain, General Counsel and Corporate Secretary

Place of Residence: Switzerland

Jeffrey Fountain was born in Canada in 1969, and has a Commerce and Economics degree and a Law degree from the University of Toronto.

He practiced corporate and securities law with a large Canadian law firm in Vancouver and then worked with the United Nations in Geneva.

Between 2003 and 2017, Mr. Fountain was Vice President Legal of Lundin Petroleum, responsible for all legal matters within the Lundin Petroleum group. He has also assisted on various legal matters related to other Lundin Group companies.

During the past five years, Mr. Fountain has not served as a member of the administrative, management or supervisory bodies or partner of any company outside the Lundin Petroleum group.

Rebecca Gordon, VP Corporate Planning and Investor Relations

Place of Residence: Switzerland

Rebecca Gordon was born in England in 1976 and has a Commerce and Masters of Business Administration degree from the University of Western Australia, and a Masters degree from the ENI Corporate University.

Between 1997 and 2005 Ms. Gordon worked as a senior consultant for an Information Management consultancy in Western Australia, and then moved to Italy to work for ENI as a valuation specialist until the end of 2009.

In 2010 Ms. Gordon came to Lundin Petroleum as Senior Economist and was appointed Group Economics and Planning Manager in the same year.

During the past five years, Ms. Gordon has not served as a member of the administrative, management or supervisory bodies or partner of any other company outside the Lundin Petroleum group.

Daniel Fitzgerald, VP Operations

Place of Residence: Switzerland

Daniel Fitzgerald was born in Australia in 1982 and holds a Bachelor of Chemical Engineering (Honours) degree from the University of New South Wales.

From 2005 to 2014 Mr. Fitzgerald worked for Shell's upstream business based in the UK. The majority of his career has been spent in upstream operations in a range of offshore and onshore roles, more recently, roles dealing with asset and installation management.

Between 2014 and 2017, Mr. Fitzgerald has been the Group Operations Manager for Lundin Petroleum.

During the past five years, Mr. Fitzgerald has not served as a member of the administrative, management or supervisory bodies or partner of any other company outside the Lundin Petroleum group.

Ryan Adair, VP Reservoir Development

Place of Residence: Switzerland

Born in Canada in 1976, Ryan Adair has a Bachelor of Science degree in Chemical Engineering from the University of Calgary and a Master of Science degree in Petroleum Engineering from Heriot-Watt University.

In addition to seven years in various reservoir engineering and management roles within the Lundin Petroleum organization, Mr. Adair has worked for EnCana Resources and Petrominerales Ltd.

Mr. Adair has been Lundin Petroleum Group Subsurface Manager since 2013, is a Canadian registered P.Eng, a member of the Society of Petroleum Engineers, and the Society of Petroleum Evaluation Engineers.

During the past five years, Mr. Adair has not served as a member of the administrative, management or supervisory bodies or partner of any other company outside the Lundin Petroleum group.

All members of the Board or executive officers of the Corporation can be reached at the Corporation's address at 5 chemin de la Pallanterie, 1222 Vézenaz, Switzerland, with the exception of:

- Lukas H. Lundin, who can be reached at 6 rue de Rive, Geneva, Switzerland.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer has, within the last 10 years prior to the date of this document, been a director, chief executive officer or chief financial officer of any issuer (including the Corporation) that, (i) while the person was acting in the capacity as director, chief executive officer or chief financial officer, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or (ii) was subject to an order that resulted, after the director, executive officer ceased to be a director, chief executive officer or chief financial officer of an issuer, in the issuer being the subject of a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while that person was acting as a director, chief executive officer or chief financial officer of the issuer.

Except as set forth in the following paragraph, no director or officer has, within the last 10 years prior to the date of this document, been a director or executive officer of any company (including the Corporation) that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt or liquidated, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement for compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Lundin was a director of Sirocco Mining Inc. ("**Sirocco**"). Pursuant to a plan of arrangement completed on January 31, 2014, Canadian Lithium Corp. acquired Sirocco. Under the plan of arrangement, Canadian Lithium Corp. amalgamated with Sirocco to form RB Energy Inc. ("**RBI**"). In October 2014, RBI commenced proceedings under the Companies' Creditors Arrangement Act (the "**CCAA**"). CCAA proceedings continued in 2015 and a receiver was appointed in May 2015. The TSX de-listed RBI's common shares in November 24, 2014 for failure to meet the continued listing requirements of the TSX. Mr. Lundin was never a director, officer or insider of RBI. Mr. Lundin was a director of Sirocco within the 12-month period prior to RBI filing under the CCAA. No director or executive officer has, within the last 10 years prior to the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or securityholder.

No director or executive officer has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court, regulatory body or other authority that would likely be considered important to a reasonable investor in making an investment decision.

No director or executive officer has been disqualified by a court from acting as a member of the administrative, management or supervisory body of a company or from acting as the management or conducting of the affairs of a company during the past five years, or has been convicted of any fraudulent acts.

Conflicts of Interest

Except as laid out in the biography of each of the directors and executive officers, the Corporation, as at the date of this prospectus, the Corporation is not aware of any existing or potential material conflicts of interest between the Corporation or a subsidiary of the Corporation and a director or officer of the Corporation or of a subsidiary of the Corporation.

There is no family relationship between any of the individuals serving as directors or executive officers of the Corporation.

Circumstances may arise where members of the Board or officers of the Corporation are directors or officers of companies, which are in competition to the interests of the Corporation. Pursuant to applicable law, directors who have an interest in a proposed transaction upon which the Board is voting are required to disclose their interests and refrain from voting on the transaction.

Majority Voting Policy for Election of Directors

The Corporation has adopted a majority voting policy that states that if, in an uncontested election, a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered by the Board not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Such a nominee will be required to promptly submit his or her resignation to the Board, effective upon acceptance by the Board. Except in special circumstances that would warrant the continued service of the director on the Board, the Board will be expected to accept the resignation. Within 90 days after the meeting, the Board will make its decision and announce it by press release.

EQUITY-BASED COMPENSATION ARRANGEMENTS

The Corporation's Stock Option Plan

In connection with the Reorganization and the Spin-Off, the Corporation's shareholders unanimously authorized the grant of stock options to selected officers and other key employees of the Corporation on February 21, 2017, subject to, among other things, implementation by the Corporation of a stock option plan (the "**Stock Option Plan**"). Pursuant to the Stock Option Plan, which was approved by the Board and a unanimous shareholders' resolution on April 16, 2017, the Corporation has granted separate tranches of stock options to the (i) officers, as a group, 1,150,000 stock options (including Mike Nicholson); (ii) directors (excluding Mike Nicholson), as a group, 125,000 stock options; and (iii) other employees (excluding any directors or officers), as a group, 581,600 stock options. In total, the Corporation authorized the grant of 1,856,600 stock options on February 21, 2017, of which 1,818,100 were outstanding as at September 30, 2018.

Participants have been given the right to buy shares in the Corporation at an exercise price equal to the market value of the Common Shares, determined by the Board, to be CAD 4.77 at February 21, 2017. The options will vest in one-third of the amount of each grant on each of the first three anniversaries of the date of grant and will be exercisable until the fourth anniversary of the date of grant. The exercise period will be automatically extended if it ends during a black-out period, such that the exercise period will end 10 business days following the last day of the black-out period.

The Board may make further stock option grants to directors, officers and employees of the Corporation, at its sole discretion. The maximum expected value of options granted to an individual in any one year will not exceed two times base salary and awards will be entirely discretionary. The Board has the right to settle an award in whole, or in part, in cash or through cashless exercise to help reduce administrative burden and costs.

For “good leavers” under the Stock Option Plan, awards will vest on termination and the participant will have six months (or to the end of the exercise period, whichever is earlier) to exercise the award and any other vested awards, after which the awards will lapse. For any leaver who is not a “good leaver”, awards will lapse immediately. The Corporation’s definition of a “good leaver” includes participants that leave employment because of death, disability, illness, retirement and redundancy. The Board also has discretion to determine whether a participant is a “good leaver”. Participants who change employment among the Corporation’s group of subsidiaries will not be considered leavers.

On May 25, 2018, the Board amended the Stock Option Plan to reduce the maximum number of Common Shares issuable under the plan to 2,100,000.

Transitional Equity-Based Compensation Arrangements

One-Time Transitional Performance Share Plan

Some individuals who are officers or other key employees of the Corporation were participants in the Lundin Petroleum Performance Share Plan (the “**Lundin Petroleum PSP**”). Those participants were made awards of Lundin Petroleum shares under the Lundin Petroleum PSP on or around July 1, 2015 and July 1, 2016. Each such award would have fully vested at the end of a three-year restricted period, subject to certain three-year performance conditions and subject to the continuing employment of the participant.

However, for “good leavers” under the Lundin Petroleum PSP, awards are pro-rated according to the time from the date of the original award by Lundin Petroleum to the date the participant leaves Lundin Petroleum. For such “good leavers”, pro-rated awards vest as scheduled, subject to the performance conditions, at the original date of vesting even after a participant’s departure from Lundin Petroleum. For any leaver who is not a “good leaver” under the Lundin Petroleum PSP, awards lapse immediately.

Accordingly, in connection with the Reorganization and the Spin-Off, the Corporation agreed to put in place certain one-time transitional equity-based compensation arrangements for certain officers and employees of the Corporation, as described below, in order to compensate the participant for that portion of the Lundin Petroleum PSP award that lapsed because of the participant’s departure from Lundin Petroleum.

The Corporation understands that employees of the Corporation who were formerly employees of Lundin Petroleum and who received awards under the Lundin Petroleum PSP in 2015 and 2016 were treated as “good leavers” by Lundin Petroleum, as described above. Under such employees’ employment contracts with the Corporation, the value of Lundin Petroleum PSP awards held by employees of the Corporation that lapse as a result of the Spin-Off was made into equivalent value share awards by the Corporation under a one-time transitional performance share plan implemented by the Corporation in connection with the Spin-Off incorporating the terms described below (the “**IPC Transitional PSP**”).

The IPC Transitional PSP plan was only used in connection with the Spin-Off. The aggregate number of Common Shares issuable under the IPC Transitional PSP, assuming full vesting, was 1,154,569 Common Shares at the date of grant. As at September 30, 2018, the aggregate number of Common Shares issuable under the IPC Transitional PSP, assuming full vesting, was 733,307 Common Shares.

Participants in the IPC Transitional PSP were made an award, a portion of which vested on June 30, 2018 and the remainder of which will vest on June 30, 2019, and be subject to share price targets: 75% of each award will vest subject to continued employment only. The remaining 25% will vest on a straight-line basis for the Common Share price performance between 100% and 125% of the fair value price of the Common Shares determined by the Board of CAD 4.77, measured against the volume weighted average price over the 20 trading days prior to and including the vesting date. No further awards may

be made in the future under the IPC Transitional PSP and the IPC Transitional PSP shall terminate following the payment of awards, if any, vesting on June 30, 2019.

The leaver provisions of the IPC Transitional PSP mirror those of the Lundin Petroleum PSP.

One-Time Transitional Restricted Share Plan

Some individuals who are officers or other key employees of the Corporation were participants in the Lundin Petroleum unit bonus plan (the “**Lundin Petroleum Unit Bonus Plan**”). Those participants were made cash awards that mirror the value of Lundin Petroleum shares on, or around, June 1, 2015 and June 1, 2016. Each such award would have vested by a third on each of the first three anniversaries of the award and would have been paid in cash by Lundin Petroleum, subject only to continued employment.

For “good leavers” under the Lundin Petroleum Unit Bonus Plan, awards may vest at the original date of vesting, even after the participant’s departure from Lundin Petroleum. For any leaver who is not a “good leaver” under the Lundin Petroleum Unit Bonus Plan, awards lapse immediately.

Accordingly, in connection with the Reorganization and the Spin-Off, the Corporation agreed to put in place certain one-time transitional equity-based compensation arrangements for certain officers and employees of the Corporation, as described below, in order to compensate the participant for that portion of the Lundin Petroleum Unit Bonus Plan award that lapsed because of the participant’s departure from Lundin Petroleum.

The Corporation understands that employees of the Corporation who were participants in the Lundin Petroleum Unit Bonus Plan for 2015 or 2016 were treated as “good leavers” by Lundin Petroleum under such plans with unvested awards being pro rated to the end of such employees’ time served with Lundin Petroleum. Under such employees’ employment contracts with the Corporation, the equivalent value to the difference between each full Lundin Petroleum Unit Bonus Plan award and the pro-rated part of such award that will vest under the Lundin Petroleum Unit Bonus Plan were made into awards of Common Shares under a one-time transitional restricted share plan implemented by the Corporation incorporating the terms described below (the “**IPC Transitional RSP**”).

The IPC Transitional RSP was used in connection with the Spin-Off. The aggregate number of Common Shares issuable under the IPC Transitional RSP was 152,790 Common Shares as at the date of grant. As at September 30, 2018, the aggregate number of Common Shares issuable under the IPC Transitional RSP was 58,446 Common Shares.

Participants were granted an award of restricted shares under the IPC Transitional RSP, which will vest according to the same timetable as the Lundin Petroleum Unit Bonus Plan each year to May 31, 2018 and May 31, 2019, subject to continued employment. No further awards may be made in the future under the IPC Transitional RSP, and the IPC Transitional RSP shall terminate following the payment of awards, if any, vesting on May 31, 2019.

The leaver provisions of the IPC Transitional RSP mirror those of the Lundin Petroleum Unit Bonus Plan.

Performance and Restricted Share Plan

The Board approved in May 2018, subject to shareholder approval granted at the annual general meeting of shareholders held on July 10, 2018, a Performance and Restricted Share Plan (the “**2018 Plan**”) with the purposes of promoting alignment of interests between employees and the shareholders, associating a portion of employee compensation with the returns achieved by shareholders, and attracting and retaining knowledgeable and experienced employees. The 2018 Plan will be administered by the Compensation Committee on behalf of the Board. The 2018 Plan provides for the grant of performance share units (“**PSUs**”) and restricted share units (“**RSUs**”) which, subject to the time and performance vesting conditions to be determined by the Committee under the 2018 Plan, will be settled by the Corporation in Common Shares, or at the discretion of the Corporation, in an equivalent cash value. The eligible participants in the 2018 Plan will be employees, consultants and directors (however, directors who are not employees have a separate tranche under the 2018 Plan from other

eligible participants). The maximum number of Common Shares issuable under the 2018 Plan is 5,000,000.

As at September 30, 2018, the aggregate number of Common Shares issuable under the 2018 Plan, assuming full vesting, was 501,500 Common Shares in respect of PSUs and 211,878 Common Shares in respect of RSUs.

Total number of Common Shares – dilution

The maximum number of Common Shares that may be issued or are issuable under all share based compensation arrangements shall not exceed 10% of the number of issued and outstanding Common Shares on a non-diluted basis.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's philosophy, objectives, policy and processes regarding executive compensation.

Compensation Philosophy and Objectives

The Corporation's executive compensation follows a set of principles that are applicable to all employees. The Corporation aims to offer all employees compensation packages that in their totality are competitive and in line with market conditions. These packages will be designed to ensure that the Corporation can recruit, motivate and retain highly skilled individuals and to reward performance that enhances shareholder value.

The Corporation's compensation packages consist of four elements, being (a) base salary, (b) annual bonus, (c) long-term incentive (where applicable), and (d) other benefits. The purpose of base salary will be to provide predictable compensation that is competitive and takes into account the scope and responsibilities associated with each employee's position, as well as the skills, experience and performance of employees.

As part of the yearly assessment process, the Corporation has adopted a performance management process, which is designed to align individual and team performance to the strategic and operational goals and objectives of the overall business. Individual performance measures will be formally agreed and key elements of variable compensation will be clearly linked to the achievement of such stated and agreed performance measures.

The annual bonus is an important part of an individual's compensation package where associated performance targets reflect the key drivers for value creation and growth in shareholder value. The purpose of the long-term incentive plans is to align senior and key employees' incentives with shareholders' long-term interests.

The purpose of other benefits is to complete the compensation package in line with levels of market terms and to help facilitate the discharge of each individual's duties.

Executive Compensation Plan

The compensation of officers of the Corporation will follow the principles that are applicable to all employees. The compensation committee of the Board (the "**Compensation Committee**") prepared, reviewed and recommended for approval, and the Board approved, an executive compensation plan for officers.

It is the aim of the Corporation to be able to recruit, motivate and retain high caliber executives capable of achieving the objectives of the Corporation, and to encourage and appropriately reward performance

that enhances shareholder value. Accordingly, the Corporation will award compensation under the executive compensation policy in accordance with current best practice that links compensation to the Corporation's business strategy, aligns officers' interests with those of shareholders and rewards officers fairly for their contribution to the Corporation's performance.

Executive Compensation Plan and the Compensation Committee

The Board has established the Compensation Committee to, among other things, administer an executive compensation policy. The members of the Compensation Committee are Lukas H. Lundin, Donald Charter and Torstein Sanness, all of whom have relevant experience and competence, having worked with compensation matters as both executives and compensation committee members of other corporate boards. See "*Directors and Executive Officers – Biographies of Executive Officers and Directors*". Mr. Charter and Mr. Sanness are considered independent directors. Although Mr. Lundin may not be considered independent of the major shareholders, he is considered independent of the Corporation and management and his experience will be important to the successful functioning of the executive compensation process.

The Compensation Committee receives information and makes recommendations to the Board and, if applicable, shareholders, on matters relating to the principles of compensation, as well as all compensation and other terms of employment of officers. The Compensation Committee meets regularly and its tasks include monitoring and evaluating programs for variable compensation for officers and the application of the executive compensation policy, as well as compensation structures, risks and levels throughout the Corporation. The Compensation Committee monitors, evaluates and approves the Corporation's performance management procedures. The Board may also decide that certain decisions may be taken by the Compensation Committee on its behalf.

The Compensation Committee proposes to the Board for approval the compensation and other terms of employment of the CEO. The CEO, in turn, proposes to the Compensation Committee, for approval by the Board, the compensation and other terms of employment of senior management reporting directly to the CEO and any other officers appointed by the Board, including the CFO. This includes any awards of annual bonus and long-term incentives.

To ensure that the Corporation's compensation packages remain competitive and in line with market conditions, the Compensation Committee will undertake periodic benchmarking studies. For each study, peer groups of companies will be selected, against which the Corporation's compensation practices can be measured. As the Corporation will compete with peer companies to retain and attract the very best talent in the market, both at the operational and executive level, it will be important that the Corporation's compensation packages are determined primarily by reference to the compensation practices among peer companies. The levels of base salary, annual bonus and long-term incentives will be benchmarked against the median level. However, in the event of exceptional performance, deviations may be authorized.

Peer companies are expected to be primarily international upstream oil and gas companies of similar size and operational reach; however, the Compensation Committee will not necessarily limit itself to a single peer group but may consider geography, specialization and other appropriate benchmarks if necessary to ensure that its decisions are taken in the right context. It is not expected that the Compensation Committee will set pay solely based on benchmarking, but will also consider other factors such as internal relativities, performance, experience, potential and the overall business case.

The Compensation Committee will also consider any risks associated with compensation policies and practices, including possible material adverse effects on the Corporation. These risks may include, but not be limited to, financial, operational and behavioral risks that may result from the design and quantum of incentive plans and other forms of reward throughout the organization. As part of these deliberations, the Compensation Committee will look at appropriate ways to mitigate any identified risks.

With regard to equity-based compensation, described in "*Equity-Based Compensation Arrangements*" above, the Compensation Committee manages long-term incentive plans on behalf of the Board. Levels of equity-based grants for officers will follow established policy and be approved by the Board. Awards may be made at the sole discretion of the Board and the Compensation Committee will monitor the costs, dilution and context of awards, such as previous years' awards. The Board will have complete

discretion with regard to participation in such plans and the assessment of any performance conditions and may reduce the vesting of plans, including reduction to zero, if it considers the underlying performance of the Corporation not to be reflected in the initial vesting outcome. Furthermore, participants in equity-based plans are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the participant. Officers are required to build up an equity holding of 0.5 times base salary over time (two times base salary for the CEO) by retaining a minimum of 50% of shares acquired from exercised awards after tax.

The Compensation Committee is entitled to request the advice and assistance of external compensation consultants and other advisors. However, the Compensation Committee will be required to ensure that there is no conflict of interest regarding other assignments that such advisors may have for the Corporation and its management. See also section “Corporate Governance” – “Compensation Committee”.

Elements of Compensation

As noted above, there are four key elements to the compensation of the Corporation’s management: (a) base salary, (b) annual bonus, (c) long-term incentives and (d) other benefits.

(a) Base salary

An officer’s base salary will be based on market conditions, will be competitive and will take into account the scope and responsibilities associated with the position, as well as the skills, experience and performance of the officer. Each officer’s base salary, as well as the other elements of the officer’s compensation, will be reviewed annually to ensure that such compensation remains competitive and in line with market conditions. As part of this assessment process, the Compensation Committee will undertake periodic benchmarking studies in respect of the Corporation’s compensation policy and practices, as described above.

(b) Annual bonus

The annual bonus will be an important part of an officer’s compensation. Through its performance management process, the Corporation will set predetermined and measurable performance criteria for each officer, aimed at promoting long-term value creation for the Corporation’s shareholders. The performance conditions for the Corporation’s 2017 annual bonus were (i) 50% linked to the Corporation’s strategic and operational targets, including production, exploration, financial and health and safety targets, evaluated against stretching quantitative targets, and (ii) 50% linked to a mix of quantitative and qualitative targets related to the individual officer’s responsibilities and evaluated on a discretionary basis by the Board.

The annual bonus opportunity is based upon a predetermined limit between 0% and 100% of salary, determined by performance against the performance conditions outlined in the previous paragraph. However, the Compensation Committee may exercise discretion and recommend to the Board for approval an annual bonus outside of this range in circumstances, or in respect of performance, that the Compensation Committee considers to be exceptional.

(c) Long-term incentive plans

The Corporation believes that it is appropriate to structure its long-term incentive plans to align its officers’ incentives with shareholder interests. Compensation that is linked to the share price should result in a greater personal commitment to the Corporation. The Corporation’s long-term incentive plans, on an ongoing basis, consist of the Stock Option Plan and, as part of the Spin-Off only, the IPC Transitional PSP, the IPC Transitional RSP and the 2018 Plan. See “*Equity-Based Compensation Arrangements – The Corporation’s Stock Option Plan*”, “*Transitional Equity-Based Compensation Arrangements – One-Time Transitional Performance Share Plan*”, “*Transitional Equity-Based Compensation Arrangements – One-Time Transitional Restricted Share Plan*” and “*Performance and Restricted Share Plan*”.

All equity-based incentive plans of the Corporation have a maximum number of shares issuable for awards in accordance with applicable stock exchange rules.

In the event of a change of control of the Corporation, all awards under the relevant plan will vest in full.

If, during the performance or restricted period, the share capital of the Corporation is materially changed, or if there is a dividend in kind, a split, reverse split, bonus issue, delisting or similar major corporate event, the Board will seek to recalculate awards (and any performance conditions) to achieve a neutral outcome for both participants and the Corporation. All recalculations will be done at the discretion of the Board.

(d) Other benefits

Any other benefits will be based on market terms and will facilitate the discharge of each officer's duties. Such benefits include defined contribution pension plans, as well as certain housing allowances, education expenses and health-care limited in time and/or amount.

Officer Compensation

The table below reflects the fair value of the compensation that was earned by, paid to or awarded to the officers for the fiscal year ending December 31, 2017, based on a start date of April 24, 2017.

Name and Principal Position	Year	Salary	Share-Based Awards	Option-Based Awards	Annual Incentive Plans	Pension Value	All Other Compensation	Total Compensation
		(2) (CAD)	(3) (CAD)	(4) (CAD)	(5) (CAD)	(6) (CAD)	(7) (CAD)	(CAD)
Mike Nicholson, CEO	2017	463,989	1,842,795	1,002,208	548,351	174,283	75,023	4,106,649
The other officers of the Corporation ⁽¹⁾ , in aggregate	2017	1,368,057	1,368,057	1,302,872	1,084,095	286,190	139,858	5,521,458

Notes:

- (1) i.e., the CFO, the General Counsel and Corporate Secretary, the VP Corporate Planning and Investor Relations, the VP Operations and the VP Reservoir Development.
- (2) Salaries were paid in Swiss Francs and have been converted based on the daily average exchange rate as reported by the Bank of Canada on December 31, 2017 of C\$1.00 equals 0.7779 Swiss Francs. The salaries have been further pro-rated based on a start date of April 24, 2017.
- (3) These figures represent the fair value estimated of awards under the IPC Transitional PSP and the IPC Transitional RSP. These awards vested in part in 2018, with the remainder to vest in 2019. See "Equity-Based Compensation Arrangements – Transitional Equity-Based Compensation Arrangements – One-Time Transitional Performance Share Plan" and "One-Time Transitional Restricted Share Plan". Each PSP was fair valued at the date of grant at C\$2.50 (for awards vesting in 2018) and C\$2.79 (for awards vesting in 2019) using an adjusted share price calculated with a hybrid valuation model based on the Monte Carlo simulation. The assumptions used in the calculation of the adjusted share price were a risk free rate of 0.76%, expected volatility of 52.80%, a dividend yield rate of 0% and an exercise price of nil. Each RSP was fair valued at the date of grant at C\$4.77. It should be recognized that the actual future value will be based on the market value of the common shares at the time of vesting. Therefore, the value attributed to the share-based awards does not necessarily correspond to that actual future value that will be realized.
- (4) These figures represent the fair value of stock options granted over Common Shares. These options were granted at an exercise price of CAD 4.77 on February 21, 2017 and will vest in three equal tranches on the first, second and third anniversaries of their award. The overall option life will be four years. Each original stock-option was fair valued at the date of grant at C\$2.01 using a Black-Scholes option pricing model. The assumptions used in the calculation were a risk free rate of 1.02%, expected volatility of 53.70% and dividend yield rate of 0%. It should be recognized that the actual future value will be based on the difference between the market value of the common shares at the time of exercise and the exercise price of the stock options. Therefore, the value attributed to the option based-awards does not necessarily correspond to that actual future value that will be realized.
- (5) These figures represent the annual bonus for the nine month period until December 31, 2017. Bonuses are paid in Swiss Francs and have been converted based on the daily average exchange rate as reported by the Bank of Canada on December 31, 2017 of C\$1.00 equals 0.7779 Swiss Francs.
- (6) Pension contributions are paid in Swiss Francs and have been converted based on the daily average exchange rate as reported by the Bank of Canada on December 31, 2017 of C\$1.00 equals 0.7779 Swiss Francs.
- (7) The amounts include housing allowances, health-care and school fees. Benefits are denominated in Swiss Francs and have been converted based on the daily average exchange rate as reported by the Bank of Canada on December 31, 2017 of C\$1.00 equals 0.7779 Swiss Francs.

Director Compensation

All directors, other than the Chairman, the Lead Director and officers, receive a basic annual retainer of USD 50,000. In addition, those directors who are not officers and were appointed in connection with the Spin-Off in 2017 received a grant of 25,000 stock options under the Stock Option Plan for 2017, described above.

In addition, Chairs of the Audit Committee and the Compensation Committee receive annual fees of USD 20,000 and members of the Audit Committee and the Compensation Committee receive annual fees of USD 10,000 per committee. Chairs of the Nominating and Corporate Governance Committee and the Reserves Committee receive annual fees of USD 10,000 and members of the Nominating and Corporate Governance Committee and the Reserves and HSE Committee receive annual fees of USD 5,000. The Chairman of the Board receives an annual fee of USD 100,000 and the Lead Director receives an annual fee of USD 75,000. There will be no meeting fees.

Termination and Change of Control Provisions

Other than as described below, there are no agreements, compensation plans, contracts or arrangements whereby an officer is entitled to receive payments from the Corporation in the event of the termination of the officer's employment with the Corporation. The employment agreements with the officers provide for a mutual notice period of between one and 12 months, depending on the duration of the officer's employment with the Corporation, recognizing prior employment with Lundin Petroleum. In addition, severance terms in the employment contracts for officers will give rise to compensation of up to one to two years' base salary, in the event of termination of employment due to, or within a year of, a change of control of the Corporation. In addition, the Board is authorized, in individual cases, to approve severance arrangements where employment is terminated by the Corporation without cause or in other circumstances at the discretion of the Board.

In addition to the termination and change of control provisions in employment agreements, the Corporation's equity incentive plans also contain provisions relating to termination of employment and change of control, including expiry or accelerated vesting in certain circumstances.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

At no time since incorporation of the Corporation has there been any indebtedness, other than routine indebtedness, of any director or officer of the Corporation, any proposed directors of the Corporation, or any associate or affiliate of any such director or officer, to the Corporation or to any other entity which is, or at any time since the beginning of the most recently completed financial period has been, the subject of a guarantee, support agreement, letter of agreement or other similar arrangement or understanding provided by the Corporation.

CORPORATE GOVERNANCE

The Corporation discloses its corporate governance practices pursuant to the disclosure requirements in National Instrument 58-101 – Disclosure of Corporate Governance Practices (the "**Governance Disclosure Rule**") that apply to issuers listed on the TSX. The Corporation's governance practices are made with reference to National Policy 58-201, Corporate Governance Guidelines (the "**Governance Guidelines**"). The Governance Disclosure Rule and the Governance Guidelines are initiatives of the Canadian Securities Administrators ("**CSA**").

The Governance Guidelines are not intended to be prescriptive, but are to be used as guidelines in developing corporate governance practices. The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance practices. The Governance Disclosure Rule requires that, if management of an issuer solicits proxies from its shareholders for the purpose of electing directors, specified disclosure of its corporate governance practices must be included in its management information circular.

The Corporation complies with the corporate governance regime in British Columbia, Canada.

Further details regarding rules in relation to corporate governance are set forth in Section “*Summary of Shareholder Rights*”.

The Board of Directors

The Board is primarily responsible for supervising the management of the Corporation’s business and affairs. Its authority is determined by the provisions of the BCBCA and by the Corporation’s articles. In addition, the Board’s activities are governed by a set of procedural rules which are adopted by the Board. The Board regularly reviews its guidelines and policies and, not less than annually, considers how its corporate governance practices align with guidelines established by the Canadian regulatory authorities having authority, including the TSX.

The Board meets as required to conduct its business, which includes the approval of the quarterly and annual audited consolidated financial statements of the Corporation.

The Board’s Chairman, together with the Lead Director, is responsible for the management, development and effective performance of the Board, for monitoring the Corporation’s development through regular contact with the President and CEO, and for ensuring that the Board regularly receives reports concerning the development of the Corporation’s business and operations, including progress in respect of profits, liquidity and significant contractual matters.

Committees

Audit Committee

The Audit Committee consists of four Board members, each of whom is independent and financially literate. The Audit Committee reviews and reports to the Board on the integrity of the consolidated financial statements of the Corporation. The Audit Committee ensures the Corporation has designed and implemented effective internal financial controls and reviews the compliance with regulatory and statutory requirements as they related to the financial statements, taxation matters and disclosure of material facts.

The Audit Committee has the functions and responsibilities as set out below, among others:

- (a) overseeing the Corporation’s financial statements and financial disclosures;
- (b) review the annual consolidated audited financial statements of the Corporation, the external auditor’s report thereon and the related management’s discussion and analysis of the Corporation’s financial condition and results of operation (“**MD&A**”). After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A;
- (c) review the interim consolidated financial statements of the Corporation, the external auditor’s review report thereon, if any, and the related MD&A. After completing its review, if advisable, the Audit Committee shall either: (i) formally approve (such approval to include the authorization for public release) or (ii) recommend for Board approval, the interim financial statements and the related MD&A;
- (d) review and, if advisable, recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Corporation, press releases disclosing, or based upon, financial results of the Corporation, financial guidance provided to analysts or rating agencies or otherwise publicly disseminated and any other material financial disclosure;
- (e) review and, if advisable, recommend for Board approval any material future oriented financial information or financial outlook and endeavour to ensure that there is a reasonable basis for drawing any conclusions or making any forecasts and projections set out in such disclosures;

- (f) oversight of the work of the external auditor, including the external auditor’s work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work;
- (g) review and, if advisable, select and recommend for Board approval the external auditor to be nominated and the compensation of such external auditor;
- (h) at least annually, the Audit Committee shall discuss with the external auditor such matters as are required by applicable auditing standards to be discussed by the external auditor with the Audit Committee;
- (i) at least annually, the Audit Committee shall review a summary of the external auditor’s annual audit plan;
- (j) at least annually, and before the external auditor issues its report on the annual financial statements, the Audit Committee shall take appropriate action to oversee the independence of the external auditor;
- (k) review the Corporation’s system of internal controls;
- (l) review reports from the Corporation’s Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the Corporation; the effectiveness of the Corporation’s compliance policies; and any material communications received from regulators; and
- (m) establish procedures for (a) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Audit Committee members: C. Ashley Heppenstall (Chair), Donald K. Charter, Chris Bruijnzeels and Daniella Dimitrov

Nominating and Corporate Governance Committee

This Committee is comprised of three non-executive Board members and assists the Board in identifying qualified individuals for Board membership, develops and implements corporate governance guidelines, and reports annually to the Corporation’s shareholders on the Corporation’s system of corporate governance.

The Nominating and Corporate Governance Committee (the “**N&CG Committee**”) mandate adopted by the Board provides that the N&CG Committee is responsible for, among other things:

- (a) developing and updating a long-term plan for the composition of the Board that takes into consideration the current strengths, competencies, skills and experience of the Board members, retirement dates and the strategic direction of the Corporation, and reporting to the Board thereon at least annually;
- (b) periodically undertaking an examination of the size of the Board, with a view to determining the impact of the number of directors on the effectiveness of the Board, and recommending to the Board, if necessary, a reduction or increase in the size of the Board;
- (c) recommending to the Board the remuneration to be paid to and the benefits to be provided to directors;
- (d) endeavouring, in consultation with the Chair or Lead Director, to ensure that an appropriate system is in place to evaluate the effectiveness of the Board as a whole, each of the committees of the Board and each individual director of the Board with a view to ensuring that they are fulfilling their respective responsibilities and duties;

- (e) in consultation with the Chair and the CEO, annually or as required, recruiting and identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders;
- (f) in consultation with the Chair or Lead Director, annually or as required, recommending to the Board, the individual directors to serve on the various committees;
- (g) conducting a periodic review of the Corporation's corporate governance policies and making policy recommendations aimed at enhancing Board and committee effectiveness;
- (h) reviewing overall governance principles, monitoring disclosure and best practices of comparable and leading companies, and bringing forward to the Board a list of corporate governance issues for review, discussion or action by the Board or its committees;
- (i) reviewing the disclosure in the Corporation's public disclosure documents relating to corporate governance practices and preparing recommendations to the Board regarding any other reports required or recommended on corporate governance;
- (j) proposing agenda items and content for submission to the Board related to corporate governance issues and providing periodic updates on recent developments in corporate governance to the Board;
- (k) conducting a periodic review of the relationship between management and the Board, particularly in connection with a view to ensuring effective communication and the provision of information to directors in a timely manner;
- (l) monitoring and making recommendations regarding new director orientation and the ongoing development of existing directors;
- (m) reviewing annually the Board Mandate and the mandates for each committee of the Board, together with the position descriptions, if any, of each of the Chair of the Board, the CEO, lead director, director and committee chairs, and where necessary, recommending changes to the Board;
- (n) reviewing and recommending the appropriate structure, size, composition, mandate and members for the committees, and recommending for Board approval the appointment of each to Board committees;
- (o) recommending procedures to ensure that the Board and each of its committees function independently of management;
- (p) monitoring conflicts of interest (real or perceived) of both the Board and management in accordance with the Corporation's Code of Business Conduct and Ethics; and
- (q) receiving reports from the CEO and reporting to the Board regarding breaches of the Code of Business Conduct and Ethics and reviewing investigations and any resolutions of complaints received under the Code of Business Conduct and Ethics and reporting annually to the Board thereon.

Nominating and Corporate Governance Committee members: Donald K. Charter (Chair), Chris Bruijnzeels and Daniella Dimitrov.

Compensation Committee

The Compensation Committee is comprised of three non-executive members of the Board. The Compensation Committee is responsible for administering the Corporation's executive compensation program and implements and oversees and compensation policies approved by the Board.

In order for the Board to determine the compensation for the Corporation's Directors and executive officers, the Compensation Committee receives information and makes recommendations to the Board and, if applicable, shareholders, on matters relating to the principles of compensation, as well as all compensation and other terms of employment of officers. Following the Board's approval of the executive compensation plan, the Compensation Committee will propose to the Board for approval the compensation and other terms of employment of the CEO. The CEO, in turn, will propose to the Compensation Committee, for approval by the Board, the compensation and other terms of employment of senior management reporting directly to the CEO and any other officers appointed by the Board. This will include any award of annual bonus and long-term incentives. To ensure that the Corporation's compensation packages remain competitive and in line with market conditions, the Compensation Committee will undertake periodic benchmarking studies. The Compensation Committee will also consider any risks associated with compensation policies and practices, including possible material adverse effects on the Corporation.

The Compensation Committee mandate adopted by the Board provides that the Compensation Committee is responsible for, among other things:

- (a) reviewing and approving corporate goals and objectives relevant to CEO compensation;
- (b) evaluating the CEO's performance in light of those corporate goals and objectives, and making recommendations to the Board with respect to the CEO's compensation level based on its evaluation;
- (c) reviewing the recommendations to the Compensation Committee of the CEO respecting the appointment, compensation and other terms of employment of the Chief Financial Officer, all senior management reporting directly to the CEO and all other officers appointed by the Board and, if advisable, approving and recommending for Board approval, with or without modifications, any such appointment, compensation and other terms of employment;
- (d) reviewing executive compensation disclosure before the Corporation publicly discloses this information;
- (e) submitting a report to the Board on human resources matters; and
- (f) preparing an annual report for inclusion in the Corporation's management information circular to shareholders respecting the process undertaken by the Committee in its review.

Compensation Committee members: Donald K. Charter (Chair), Lukas H. Lundin and Torstein Sanness

Reserves and HSE Committee

The Reserves and HSE Committee is comprised of three independent directors. The Reserves Committee has the responsibility in general for developing the Corporation's approach to the reporting of oil and gas reserves and other oil and gas information required to be publicly disclosed. The Reserves Committee's mandate prescribes the methodology that the Corporation and the independent evaluator selected by management and approved by the Reserves Committee will adhere to in the calculation of oil and gas reserves and the valuation of those reserves. The Reserves and HSE Committee also is responsible for environmental, health and safety oversight.

The specific responsibilities of the Reserves and HSE Committee are set out in the Reserves and HSE Committee Mandate. The primary role of the Reserves and HSE Committee is to:

- (a) act in an advisory capacity to the Board;
- (b) review the Corporation's procedures relating to disclosure of information with respect to crude oil, natural gas and NGL reserves and resources data;
- (c) annually review the selection of the qualified reserves evaluators or auditors chosen to report to the Board on the Corporation's crude oil, natural gas and NGL reserves and resources data;

- (d) review the Corporation's annual reserves and resources estimates prior to public disclosure; and
- (e) review the Corporation's material compliance with applicable HSE policies, standards and applicable laws, note any material non-compliance and monitor efforts to remedy such non-compliance.

Reserves and HSE Committee members: Chris Bruijnzeels (Chair), Torstein Sanness and C. Ashley Heppenstall

ESCROWED SECURITIES

As at the date hereof, the Corporation does not have any securities in escrow or that are subject to a contractual restriction on transfer.

LEGAL PROCEEDINGS

Other than as stated in section "The Oil and Gas Assets" – "Discontinued Operations", there are no material legal proceedings against the Corporation or any of its subsidiaries, the Corporation is not a party to any material legal proceedings and the Corporation is not aware of any contemplated proceedings. The Corporation has not in the past twelve months been involved in any governmental, legal or arbitral proceedings which have had, or may have, significant effect on the Corporation's financial position or profitability. The Corporation is not aware of any such pending or threatened proceedings.

REGULATORY ACTIONS

For the period beginning on the date of incorporation of the Corporation until the date of this prospectus, there were (i) no penalties or sanctions imposed against the Corporation or by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; and (iii) no settlement agreements the Corporation entered into before a court relating to a securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS AND THE ARRANGEMENT

Management is not aware of any material interest, direct or indirect, of any director or officer of the Corporation, any person beneficially owning, directly or indirectly, more than 10% of the Corporation's voting securities, or any associate or affiliate of such person in any transaction within the last three years or in any proposed transaction which in either case has materially affected or will materially affect the Corporation or its subsidiaries, other than as disclosed in this prospectus. There is no party which has a material interest in the Arrangement.

MATERIAL CONTRACTS

The Reorganization

Under the Contribution and Transfer Agreements, all of the shares of IPBV and all of the shares of Lundin Services Ltd. were transferred to the Corporation in exchange for the issuance by the Corporation to Lundin Petroleum of an aggregate of 113,462,147 Common Shares based on a price of CAD \$4.77 per Common Share, for aggregate consideration of USD 410 million plus working capital as at the effective date.

The Reorganization was completed on April 7, 2017, with an effective date of January 1, 2017. The Contribution and Transfer Agreements provide for a working capital adjustment. For more information on the Contribution and Transfer Agreements and the Reorganization please refer to "The Corporation".

Credit Facilities

The Corporation and certain of the IPC Subsidiaries have entered into the Credit Facilities which are described under “Capital Structure, Indebtedness and Related Information” – “Financing and Credit Facilities”.

The Material Contracts and Licenses in relation to the Material Oil and Gas Assets

In respect of the FPSO Bertam operating in Malaysia, a bareboat charter agreement dated August 13, 2014 is in place between IPC Malaysia BV (formerly Lundin Malaysia BV), on behalf of the PM307 joint venture, and Lundin Services Limited, under which the charterer (IPC Malaysia BV (formerly Lundin Malaysia BV)) pays a fixed lease rate over a six-year period starting April 2015, with four one-year options for renewal after the fixed period, at the option of IPC Malaysia BV (formerly Lundin Malaysia BV), as charterer. The parties comprising the PM307 joint venture are IPC Malaysia BV (formerly Lundin Malaysia BV) with a 75% interest and PCSB with a 25% interest. The PM307 joint venture is governed by a farmout agreement with an effective date of May 1, 2011 and by a joint operating agreement dated May 1, 2011. Costs incurred within the license are apportioned in proportion to each party's interest. Lundin Services Limited is paid the complete lease by IPC Malaysia BV (formerly Lundin Malaysia BV), and PCSB reimburses its share to IPC Malaysia BV (formerly Lundin Malaysia BV) in accordance with its proportionate interest in the PM307 joint venture, resulting in an additional stream of revenue for the Corporation.

All of the Corporation's production and reserves in Malaysia come from the Bertam oil field located offshore Peninsular Malaysia. In addition to the Bertam field area, block PM307 contains the two Gas Holding Areas for Tembakau and Mengkuang. Under a PSC, IPC Malaysia BV (formerly Lundin Malaysia BV) is the operator of Block PM307 with a 75% working interest, with Petronas holding the remaining 25% through its wholly owned subsidiary PCSB.

IPC Malaysia BV's interest in block PM307 is governed by a PSC. The terms and scope of the rights granted are entirely contained in the PSC and such rights are enforceable under Malaysian law. The terms of the PSC provide that the party to the PSC (the PSC Contractor) is solely responsible for the provision of all funds required directly or indirectly for petroleum operations. The PSC Contractor is then entitled to recover costs related to petroleum operations and a share of profits from the production of crude oil or natural gas in kind, based on a defined formula contained in the PSC.

In France, all mining resources from the subsoil, including oil and gas, belong to the state. The 2011 Mining Code, which came into force on March 1, 2011, allows the government to delegate to companies the right to explore the subsoil and produce oil and gas. Certain provisions of the Mining Code that were in effect prior to the 2011 Mining Code remain in force until the publication of the regulatory provisions of the 2011 Mining Code. The 2011 Mining Code defines the process by which exploration permits (*permis exclusifs de recherches*) and production licences (*concessions*) may be granted and how royalties should be set. In addition, the General Code of Taxation (*Code general des impots*) details how Communal and Departmental taxes, as well as corporate income tax payable to the state, are calculated.

The Corporation is the operator of the oil production licenses ('concessions') for Vert-La-Gravelle, Villeperdue and Grandville and holds a 100% working interest in these producing fields. The concessions are granted for a period of not more than 50 years and could be renewed several times for 25 years or less. However, the initial period of the concession is flexible and is generally shorter for smaller developments, it being specified that the maximum duration of the concession shall not exceed 50 years. The Corporation's current concessions for Vert-La-Gravelle, Villeperdue and Grandville will expire in August 2038 (Grandville), September 2028 (Vert-La-Gravelle) and January 2037 (Villeperdue).

Mineral rights in France belong to the French State, and production of hydrocarbons occurs under a concession regime. Holders of a concession or production licence must pay the French tax authorities a royalty proportional to the value of the products extracted. This royalty is paid starting from production. Local mining taxes, or RCDM (*redevance communale et départementale des mines*), are also payable to the applicable administrative French country and municipality on whose territory the oil is produced.

On September 22, 2017, the Corporation's wholly-owned subsidiary IPC Alberta Ltd. entered into an asset sale and purchase agreement regarding the purchase of the Suffield Assets, covering a land position of 800,000 net acres of shallow natural gas rights and 100,000 net acres of oil rights in southern Alberta, Canada, at a purchase price of CAD 512 million (subject to closing adjustments) from Cenovus Energy Inc. The purchase had an economic effect as of April 1, 2017, i.e. IPC Alberta Ltd. assumed all benefits, obligations and risks associated with the assets as of that date.

For more information on the regulatory framework regarding the Oil and Gas Assets, see "The Canadian, Malaysian, French and Dutch Industry Overviews and Regulatory Regimes".

Details of the Arrangement

The following is a summary only of the Plan of Arrangement and reference should be made to the full text of the Arrangement Agreement set forth in Appendix C to the Circular and the Plan of Arrangement set forth in Schedule A to Appendix C to the Circular.

Pursuant to the Plan of Arrangement, commencing at the Effective Time, each of the events set out below will occur and will be deemed to occur consecutively in the following sequence without any further act or formality, except as otherwise provided in the Plan of Arrangement:

- (a) each BlackPearl Option outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the BlackPearl Option Plan and/or the terms of any award agreements related to the BlackPearl Options, shall be deemed to be vested and exercisable and each BlackPearl Optionholder shall, without any further action by or on behalf of such BlackPearl Optionholder, be deemed to have exercised such BlackPearl Options and elected to surrender such BlackPearl Options to BlackPearl such that;
 - (i) each BlackPearl Option outstanding at the Effective Time that has an exercise price that is less than the BlackPearl Share Market Price shall be, and shall be deemed to be, surrendered to BlackPearl for cancellation and the holders thereof shall receive, in respect of each such surrendered BlackPearl Option, an amount equal to the BlackPearl Option In-the-Money Amount, payable in BlackPearl Shares, with the number of BlackPearl Shares issuable in payment thereof being equal to the BlackPearl Option In-the-Money Amount of such BlackPearl Options divided by the BlackPearl Share Market Price; and
 - (ii) no fractional BlackPearl Shares will be issued pursuant to paragraph (a)(i) above and where the aggregate number of BlackPearl Shares issuable to a former BlackPearl Optionholder pursuant to paragraph (a)(i) above would result in a fraction of a BlackPearl Share being issuable, such former BlackPearl Optionholder shall receive, in lieu of such fractional BlackPearl Share, the nearest whole number of BlackPearl Shares, with fractions being rounded down; and
 - (iii) each BlackPearl Option outstanding at the Effective Time that has an exercise price that is equal to or greater than the BlackPearl Share Market Price, shall be, and shall be deemed to be, surrendered to BlackPearl for cancellation and the holders thereof shall receive, in respect of all such surrendered BlackPearl Options, a cash payment from BlackPearl equal to C\$1.00,
 - (iv) and each such BlackPearl Option shall be, and shall be deemed to be, cancelled by BlackPearl, all of BlackPearl's obligations under such BlackPearl Options shall be deemed to be fully satisfied and the holders thereof shall cease to have any rights as BlackPearl Optionholders other than the right to receive the consideration contemplated under the Plan of Arrangement.
- (b) each BlackPearl RSU outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the BlackPearl RSU Plan and/or the terms of any award agreements related to the BlackPearl RSUs, shall be deemed to

be vested, without any further action by or on behalf of a holder of BlackPearl RSUs, and holders thereof shall receive one BlackPearl Share for each BlackPearl RSU, all of BlackPearl's obligations under such BlackPearl RSUs shall be deemed to be fully satisfied and the holders thereof shall cease to have any rights as holders of BlackPearl RSUs other than the right to receive the consideration contemplated under the Plan of Arrangement;

- (c) subject to Section 5.1 of the Plan of Arrangement, each of the BlackPearl Shares held by Dissenting BlackPearl Shareholders shall be, and shall be deemed to be, transferred by the holders thereof to BlackPearl (free and clear of any Encumbrances), and cancelled and such Dissenting BlackPearl Shareholders shall cease to have any rights as BlackPearl Shareholders, other than the right to be paid the fair value for such BlackPearl Shares in accordance with Section 5.1 of the Plan of Arrangement, and the names of such holders shall be removed from the register of BlackPearl Shareholders; and
- (d) each issued and outstanding BlackPearl Share (including, for greater certainty, the BlackPearl Shares issued pursuant to paragraphs (a)(i) and (b) above) held by BlackPearl Shareholders (other than Dissenting BlackPearl Shareholders) shall be, and shall be deemed to be, transferred by the holder thereof to IPC (free and clear of any Encumbrances), in exchange for 0.22 of a fully paid and non-assessable IPC Share; and
 - (i) such BlackPearl Shareholders shall cease to be the holders of such BlackPearl Shares and to have any rights as holders of such BlackPearl Shares, other than the right to receive IPC Shares pursuant to this paragraph (d) and the names of such holders shall be removed from the register of BlackPearl Shareholders; and
 - (ii) IPC shall be deemed to be the transferee, and shall be the sole registered and beneficial owner, of such BlackPearl Shares (free and clear of any Encumbrances).

No certificates representing fractional IPC Shares will be issued under the Arrangement. In lieu of any fractional IPC Shares, a BlackPearl Shareholder otherwise entitled to a fractional interest in an IPC Share will receive the nearest whole number of IPC Shares, as applicable, with fractions equal to 0.5 or more being rounded up and fractions less than 0.5 being rounded down.

The respective obligations of IPC and BlackPearl to complete the transactions contemplated by the Arrangement are subject to a number of conditions which must be satisfied or waived in order for the Arrangement to become effective. Upon all of the conditions satisfied or waived, BlackPearl is required to file a copy of the Final Order and the Articles of Arrangement, together with such other materials as may be required by the Director, with the Director in order for the Arrangement to become effective.

The Arrangement Agreement

General

The Arrangement will be effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants, representations and warranties of and from each of IPC and BlackPearl and various conditions, both mutual and with respect to IPC and BlackPearl.

Unless all of such conditions are satisfied or waived by the Party for whose benefit such conditions exist, to the extent they may be capable of waiver, the Arrangement will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all.

The following is a summary of certain provisions of the Arrangement Agreement and is qualified in its entirety by the full text of the Arrangement Agreement, set forth in Appendix C to the Circular. BlackPearl Securityholders and IPC Shareholders are urged to read the Arrangement Agreement in its entirety.

Representations and Warranties and Covenants Relating to the Conduct of Business of the Parties

The Arrangement Agreement contains certain customary representations and warranties of each of IPC and BlackPearl relating to, among other things, their respective organization, capitalization, operations, compliance with Laws and regulations and other matters, including their authority to enter into the Arrangement Agreement and to consummate the Arrangement. For the complete text of the applicable provisions, see Sections 3.1 and 4.1 of the Arrangement Agreement.

In addition, pursuant to the Arrangement Agreement, each of IPC and BlackPearl has covenanted, among other things, until the earlier of the completion of the Arrangement or the termination of the Arrangement Agreement, to maintain their respective businesses and refrain from taking any action except in the ordinary course of business consistent with past practice. For the complete text of the applicable provisions, see Sections 5.1 and 5.2 of the Arrangement Agreement.

Mutual Conditions

The respective obligations of IPC and BlackPearl to consummate the transactions contemplated by the Arrangement Agreement, and in particular the Arrangement, are subject to the satisfaction on or before the Effective Date, or such other time specified, of the following conditions, any of which may be waived by the mutual consent of IPC and BlackPearl, without prejudice to their right to rely on any other of such conditions:

- (a) the Interim Order shall have been obtained on terms consistent with the Arrangement and in form and substance satisfactory to each of the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;
- (b) the BlackPearl Arrangement Resolution shall have been passed by the BlackPearl Shareholders at the BlackPearl Securityholders' Meeting in accordance with the Interim Order;
- (c) the IPC Share Issuance Resolution shall have been passed by a majority of the votes cast by the IPC Shareholders at the IPC Shareholders' Meeting;
- (d) the Final Order shall have been obtained on terms consistent with the Arrangement and in form and substance satisfactory to each of the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;
- (e) the Competition Act Approval shall have been obtained and shall be in full force and effect;
- (f) all Regulatory Approvals (other than the Competition Act Approval) required to be obtained, or that the Parties mutually agree in writing to obtain in respect of the completion of the Arrangement, and the expiry of applicable waiting periods necessary to complete the Arrangement, shall have occurred or been obtained on terms and conditions acceptable to the Parties, each acting reasonably, and all applicable domestic and foreign statutory and regulatory waiting periods shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made, except where the failure or failures to obtain such Regulatory Approvals, or for the applicable waiting periods to have expired or terminated, would not be reasonably expected to have a Material Adverse Effect on either of IPC (before or after completion of the Arrangement) or BlackPearl;
- (g) the conditional approval to the listing of the IPC Shares issuable pursuant to the Arrangement on the TSX shall have been obtained;

- (h) the approval to the listing of the IPC Shares issuable pursuant to the Arrangement on Nasdaq, as well as the registration of the IPC Swedish Prospectus by the Swedish Financial Supervisory Authority, shall have been obtained;
- (i) (i) all Lenders' Approvals shall have been obtained on terms satisfactory to each of the Parties, acting reasonably; (ii) arrangements shall be in place to effect the Refinancing on the Effective Time; or (iii) arrangements shall be in place to effect the Refinancing within a reasonable time following the Effective Time, provided that the applicable lenders subject to such Refinancing have provided reasonable assurances that they will not, within such period, enforce any rights or remedies available to them on account of the Lenders' Approvals not being obtained to provide a reasonable amount of time for a Refinancing to occur;
- (j) no Law (whether temporary, preliminary or permanent) shall be in effect or shall have been enacted, promulgated, amended or applied by any Governmental Entity, which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins IPC or BlackPearl from consummating the Arrangement;
- (k) no act, action, suit, proceeding, objection, opposition, order or injunction shall have been taken, entered or promulgated by or before any Governmental Entity or by any elected or appointed public official in Canada or elsewhere or by any other Person, whether or not having the force of Law, which: (i) prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins IPC or BlackPearl from consummating the Arrangement; or (ii) enjoins or prohibits, or imposes material adverse conditions or terms on, the right of IPC to own or exercise full ownership of the BlackPearl Shares upon completion of the Arrangement or the ownership or operation of the business, or any material assets, of BlackPearl; and
- (l) holders of not more than 5% of the outstanding BlackPearl Shares shall have validly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date.

Conditions to the Obligations of IPC

The obligation of IPC to consummate the transactions contemplated by the Arrangement Agreement, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) the representations and warranties made by BlackPearl in:
 - (i) paragraphs (b), (j), (l) and (s)(iii) of Schedule D to the Arrangement Agreement shall be true and correct in all respects as of the date of the Arrangement Agreement and the Effective Date as if made on and as of such date (except, it being understood that the number of BlackPearl Shares outstanding as described in paragraph (j) of Schedule D to the Arrangement Agreement may increase from the number outstanding on the date of the Arrangement Agreement solely as a result of the exercise or settlement, as applicable of BlackPearl Incentive Awards into BlackPearl Shares, but only to the extent that such BlackPearl Incentive Awards are specifically described in paragraph (j) of Schedule D to the Arrangement Agreement, and that the number of BlackPearl RSUs may change due to their vesting, expiry or termination in accordance with their terms); and
 - (ii) the remainder of the Arrangement Agreement shall be true and correct as of the date of the Arrangement Agreement and the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of such earlier date), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse

Change in respect of BlackPearl and its Subsidiaries, taken as a whole (and for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored), and

BlackPearl shall have provided to IPC a certificate of two executive officers of BlackPearl (on behalf of BlackPearl and without personal liability) certifying the foregoing on the Effective Date;

- (b) BlackPearl shall have complied in all material respects with its covenants in the Arrangement Agreement to be complied with by it on or prior to the Effective Time, and BlackPearl shall have provided to IPC a certificate of two executive officers of BlackPearl (on behalf of BlackPearl and without personal liability) certifying compliance with such covenants on the Effective Date; and
- (c) no Material Adverse Change in respect of BlackPearl and its Subsidiaries, taken as a whole, shall have occurred after the date of the Arrangement Agreement.

The foregoing conditions are for the exclusive benefit of IPC and may be asserted by IPC regardless of the circumstances or may be waived in writing by IPC in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which IPC may have.

Conditions to the Obligations of BlackPearl

The obligation of BlackPearl to consummate the transactions contemplated by the Arrangement Agreement, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) the representations and warranties made by IPC in:
 - (iii) paragraphs (b), (j) and (s)(iii) of Schedule C to the Arrangement Agreement shall be true and correct in all respects as of the date of the Arrangement Agreement and the Effective Date as if made on and as of such date;
 - (iv) the remainder of the Arrangement Agreement shall be true and correct as of the date of the Arrangement Agreement and the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of such earlier date), except where the failure of such representations and warranties to be true and complete, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change in respect of IPC and its Subsidiaries, taken as a whole (and for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored), and

IPC shall have provided to BlackPearl a certificate of two executive officers of IPC (on behalf of IPC and without personal liability) certifying the foregoing on the Effective Date;

- (b) IPC shall have complied in all material respects with its covenants in the Arrangement Agreement to be complied with by it on or prior to the Effective Time, and IPC shall have provided to BlackPearl a certificate of two executive officers of IPC (on behalf of IPC and without personal liability) certifying compliance with such covenants on the Effective Date; and
- (c) no Material Adverse Change in respect of IPC and its Subsidiaries, taken as a whole, shall have occurred after the date of the Arrangement Agreement.

The foregoing conditions are for the exclusive benefit of BlackPearl and may be asserted by BlackPearl regardless of the circumstances or may be waived by BlackPearl in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which BlackPearl may have.

Covenants of BlackPearl Regarding Non-Solicitation; Right to Accept a Superior Proposal

Under the Arrangement Agreement, BlackPearl has agreed to certain non-solicitation covenants as follows:

- (a) BlackPearl shall immediately cease and cause to be terminated all existing solicitations, discussions and negotiations (including through any Representatives on its behalf), if any, with any Person (other than IPC and its Representatives) with respect to any Acquisition Proposal or any inquiry, proposal or offer that constitutes or could reasonably be expected to lead to an Acquisition Proposal, and, in connection therewith, BlackPearl shall discontinue access to any of its confidential information (including any data room), properties, facilities, books and records, and shall promptly, but in any event within four Business Days, request the return or destruction of all information respecting BlackPearl provided to any Person (other than IPC or its Representatives) who has entered into a confidentiality agreement with BlackPearl relating to an Acquisition Proposal and shall use commercially reasonable efforts to ensure that such requests are honoured in accordance with the terms of the applicable confidentiality agreements with such parties. BlackPearl shall enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar agreements or covenants that BlackPearl has entered into prior to the date of the Arrangement Agreement and that BlackPearl enters into after the date of the Arrangement Agreement in accordance with the Arrangement Agreement.
- (b) BlackPearl shall not, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:
 - (i) solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) any Acquisition Proposal or any inquiries, proposals or offers relating to any Acquisition Proposal or that could reasonably be expected to lead to an Acquisition Proposal;
 - (ii) enter into, engage in, continue or otherwise participate in any discussions or negotiations regarding any Acquisition Proposal or any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or furnish to any other Person any information with respect to its businesses, properties, operations, results of operation, prospects or condition (financial or otherwise) in connection with any Acquisition Proposal or any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing;
 - (iii) waive, terminate, amend, modify or release any third party or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive, terminate, amend, modify or release any third party from or otherwise forbear in respect of, any rights or other benefits under confidential information and/or standstill agreements (which, for greater certainty, does not prohibit the automatic release of a party or termination of such provisions in accordance with the pre-existing and express terms of any standstill provision);
 - (iv) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend any Acquisition Proposal or any inquiry, proposal or offer that could reasonably be expected to lead to an Acquisition Proposal; or

- (v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal (other than a confidentiality and standstill agreement contemplated under Section 7.1(b)(vi) of the Arrangement Agreement);

provided, however, that notwithstanding any other provision of the Arrangement Agreement, BlackPearl and its Representatives may, prior to the approval of the BlackPearl Arrangement Resolution at the BlackPearl Securityholders' Meeting:

- (vi) enter into or participate in any discussions or negotiations with a third party that is not in breach of any confidentiality or standstill agreement and who, without any solicitation, assistance, initiation, encouragement or facilitation, directly or indirectly, after the date of the Arrangement Agreement, by BlackPearl or any of its Representatives, seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality agreement that is substantially similar to the Confidentiality Agreement and is otherwise on terms that BlackPearl determines in good faith are no less favourable to BlackPearl than those found in the Confidentiality Agreement (provided that such confidentiality agreement shall (A) contain customary standstill provisions, (B) allow for disclosure thereof, along with all information provided thereunder, to IPC as set out below (C) allow disclosure to IPC of the making, terms and a copy of any Acquisition Proposal made by the third party as contemplated in the Arrangement Agreement and (D) not contain any provision restricting BlackPearl from complying with Section 7.1 of the Arrangement Agreement) may furnish to such third party any information concerning BlackPearl and its Subsidiaries and their businesses, properties and assets, in each case if, and only to the extent that:

- (A) the third party has first made a written *bona fide* Acquisition Proposal, which did not result from a breach of Section 7.1 of the Arrangement Agreement, and in respect of which the BlackPearl Board determines in good faith, after consultation with its outside legal and financial advisors, constitutes or would reasonably be expected to lead to a Superior Proposal; and

- (B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party regarding the Acquisition Proposal, BlackPearl shall:

- (1) provide prompt notice to IPC to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such third party, together with a copy of the confidentiality agreement referenced above and, if not previously provided to IPC, copies of all information provided to such third party concurrently with the provision of such information to such third party;

- (2) notify IPC orally and in writing of any inquiries, offers or proposals with respect to an actual or contemplated Superior Proposal (which written notice shall include a copy of any such inquiry, offer or proposal (and any amendments or supplements thereto), the identity of the Person making it, if not previously provided to IPC, and copies of all information provided to the third party), within 24 hours of the receipt thereof; and

- (3) keep IPC promptly informed of the status and reasonable details of any such inquiry, offer or proposal and answer IPC's reasonable questions with respect thereto;

- (vii) comply with Part 2 - Division 3 of NI 62-104 and similar provisions in respect of Swedish Securities Laws and U.S. Securities Laws relating to the provision of directors' circulars and making appropriate disclosure with respect thereto to its securityholders; and
 - (viii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or entry, the BlackPearl Board concludes in good faith, after considering all proposals to adjust the terms and conditions of the Arrangement Agreement as contemplated by Section 7.1(c) thereof and after receiving the advice of outside counsel, that the failure by the BlackPearl Board to take such action would be inconsistent with its fiduciary duties under applicable Laws, and BlackPearl (A) complies with its obligations set forth in Section 7.1 of the Arrangement Agreement, (B) first terminates the Arrangement Agreement in accordance with Section 8.1(d)(ii) thereof, and (C) concurrently therewith pays the Termination Fee to IPC.
- (c) Following the determination by the BlackPearl Board that an Acquisition Proposal constitutes a Superior Proposal, BlackPearl shall give IPC, orally and in writing, at least four complete Business Days advance notice of any decision by the BlackPearl Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall confirm that the BlackPearl Board has determined that such Acquisition Proposal constitutes a Superior Proposal and shall identify the material terms of, and the third party making, the Superior Proposal and BlackPearl shall provide IPC with a true and complete copy of the Superior Proposal and the agreement to implement such Superior Proposal and any amendments thereto. During such four Business Day period, BlackPearl agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement as outlined in Section 2.3(a) of the Arrangement Agreement. In addition, during such four Business Day period, BlackPearl shall, and shall cause its financial and legal advisors to, negotiate in good faith with IPC and its financial and legal advisors to make such adjustments in the terms and conditions of the Arrangement Agreement and the Arrangement as would enable BlackPearl to proceed with the Arrangement as amended rather than the Superior Proposal. In the event IPC proposes to amend the Arrangement Agreement and the Arrangement on a basis such that the BlackPearl Board determines that the alternative proposed transaction is no longer a Superior Proposal and so advises the IPC Board prior to the expiry of such four Business Day period, the BlackPearl Board shall not accept, recommend, approve or enter into any agreement to implement such Acquisition Proposal and shall not release the party making the Acquisition Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement and the Parties hereto will enter into an amended version of the Arrangement Agreement reflecting such amendments. In the event that BlackPearl provides the notice contemplated by Section 7.1(c) of the Arrangement Agreement on a date which is less than four Business Days prior to the BlackPearl Securityholders' Meeting, IPC shall be entitled to require BlackPearl to adjourn or postpone the BlackPearl Shareholders' Meeting to a date that is not more than ten Business Days after the date of such notice.
- (d) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the BlackPearl Shareholders or other material terms or conditions thereof, shall constitute a new Acquisition Proposal for the purposes of Section 7.1(c) of the Arrangement Agreement, and IPC shall be afforded a new four Business Day period from the date on which IPC received all of the materials set forth in Section 7.1(c) of the Arrangement Agreement with respect to the new Superior Proposal from BlackPearl.

- (e) The BlackPearl Board shall promptly reaffirm the recommendation and determinations in Section 2.3(a) of the Arrangement Agreement by press release after (i) any Acquisition Proposal which is publicly announced is determined not to be a Superior Proposal or (ii) the Parties have entered into an amended agreement pursuant to Section 7.1(c) of the Arrangement Agreement which results in any Acquisition Proposal not being a Superior Proposal. IPC shall have a reasonable opportunity to review and comment on the form and content of such release and BlackPearl shall give reasonable consideration to any comments made by IPC and its counsel relating thereto.
- (f) BlackPearl shall ensure that its Representatives are aware of the provisions of Section 7.1 of the Arrangement Agreement. BlackPearl shall be responsible for any breach of Section 7.1 of the Arrangement Agreement by BlackPearl's Representatives.

Termination Fee Payable by BlackPearl

Pursuant to the Arrangement Agreement, if at any time after the execution of the Arrangement Agreement:

- (a) the Arrangement Agreement is terminated by IPC if:
 - (i) BlackPearl is in breach of any of BlackPearl's covenants or obligations in Section 7.1 of the Arrangement Agreement in any material respect; or
 - (ii) (A) the BlackPearl Board fails to unanimously recommend or withdraws, amends, modifies, changes or qualifies, or publicly proposes or states an intention to withdraw, amend, modify, change or qualify, the recommendation or determinations referred to in Section 2.3(a) of the Arrangement Agreement in a manner adverse to IPC or shall have resolved to do so prior to the Effective Date, (B) the BlackPearl Board accepts, approves, endorses or recommends; or publicly proposes to accept, approve, endorse or recommend a Superior Proposal; or (C) the BlackPearl Board fails to publicly reaffirm the recommendation and determinations referred to in Section 2.3(a) of the Arrangement Agreement within 72 hours after having been requested in writing by IPC to do so (or in the event that the BlackPearl Shareholders' Meeting is scheduled to occur within such 72 hour period, as soon as possible and in any event prior to the BlackPearl Securityholders' Meeting);
- (b) the Arrangement Agreement is terminated by BlackPearl if, prior to the approval by the BlackPearl Shareholders of the BlackPearl Arrangement Resolution, the BlackPearl Board authorizes BlackPearl to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 7.1(b)(vi) of the Arrangement Agreement) with respect to, or BlackPearl intends to accept, recommend or enter into any agreement to implement, a Superior Proposal in accordance with Section 7.1 of the Arrangement Agreement, provided BlackPearl is then in compliance with Section 7.1 of the Arrangement Agreement; or
- (c) the Arrangement Agreement is terminated by either Party pursuant to Sections 8.1(b)(i) or 8.1(b)(iii) thereof, or by IPC pursuant to Section 8.1(c)(i) thereof, and, prior to such termination, an Acquisition Proposal is made, proposed, offered or otherwise publicly disclosed by any Person (other than IPC) or any Person (other than IPC) shall have publicly announced an intention to make an Acquisition Proposal and within 12 months following the date of such termination:
 - (i) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to above) is consummated or effected; or
 - (ii) BlackPearl or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into an agreement in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to above) and such Acquisition Proposal is later

consummated or effected (whether or not such Acquisition Proposal is later consummated or effected within 12 months after such termination);

provided, however, that for purposes of the foregoing, references in the term "Acquisition Proposal" to "20% or more" shall be deemed to be references to "50% or more".

(each, a "**Termination Fee Event**"), BlackPearl shall pay to IPC (or as IPC may direct by notice in writing) a fee of C\$20.0 million (the "**Termination Fee**") as liquidated damages in immediately available Canadian funds to an account designated by IPC.

The Termination Fee shall be paid:

- (a) within two Business Days following the Termination Fee Event described in Section 8.3(a)(i) of the Arrangement Agreement;
- (b) prior to or concurrently with the occurrence of the Termination Fee Event described in Section 8.3(a)(ii) of the Arrangement Agreement; and
- (c) upon the consummation or closing of the Acquisition Proposal referred to in the Termination Fee Event described in Section 8.3(a)(iii) of the Arrangement Agreement.

Termination

The Arrangement Agreement may be terminated at any time prior to the Effective Date:

- (a) **by mutual written agreement of IPC and BlackPearl;**
- (b) **by either IPC or BlackPearl if:**
 - (i) the BlackPearl Arrangement Resolution shall have failed to receive the requisite vote of the BlackPearl Shareholders for approval at the BlackPearl Securityholders' Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order;
 - (ii) the IPC Share Issuance Resolution shall have failed to receive the requisite vote of the IPC Shareholders for approval at the IPC Shareholders' Meeting (including any adjournment or postponement thereof);
 - (iii) the Effective Time shall not have occurred on or prior to the Outside Date, except that the right to terminate the Arrangement Agreement under Section 8.1(b)(iii) thereof shall not be available to any Party whose failure to fulfill any of its covenants or obligations or whose breach of any of its representations or warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by the Outside Date; or
 - (iv) any condition in Section 6.1 of the Arrangement Agreement, other than the conditions in Section 6.1(b) and Section 6.1(c) thereof, becomes incapable of being satisfied by the Outside Date, except that the right to terminate the Arrangement Agreement under Section 8.1(b)(iv) thereof shall not be available to any Party whose failure to fulfill any of its covenants or obligations or whose breach of any of its representations or warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of such condition to be satisfied;

(c) **by IPC if:**

- (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of BlackPearl set forth in the Arrangement Agreement occurs that would cause any condition in Section 6.2(a) or Section 6.2(b) thereof not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date or is not cured in accordance with the terms of Section 6.4 of the Arrangement Agreement; provided that any deliberate, willful or intentional breach shall be deemed to be incapable of being cured and IPC is not then in breach of the Arrangement Agreement so as to cause any condition in Sections 6.3(a) or 6.3(b) thereof not to be satisfied;
- (ii) BlackPearl is in breach of any of BlackPearl's covenants or obligations in Section 7.1 of the Arrangement Agreement in any material respect;
- (iii) (A) the BlackPearl Board fails to unanimously recommend or withdraws, amends, modifies, changes or qualifies, or publicly proposes or states an intention to withdraw, amend, modify, change or qualify, the recommendation or determinations referred to in Section 2.3(a) of the Arrangement Agreement in a manner adverse to IPC or shall have resolved to do so prior to the Effective Date; (B) the BlackPearl Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend a Superior Proposal; or (C) the BlackPearl Board fails to publicly reaffirm the recommendation and determinations referred to in Section 2.3(a) of the Arrangement Agreement within 72 hours after having been requested in writing by IPC to do so (or in the event that the BlackPearl Securityholders' Meeting is scheduled to occur within such 72 hour period, as soon as possible and in any event prior to the BlackPearl Securityholders' Meeting); or
- (iv) there has occurred a Material Adverse Change in respect of BlackPearl and its Subsidiaries, taken as a whole; or

(d) **by BlackPearl if:**

- (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of IPC set forth in the Arrangement Agreement occurs that would cause any condition in Sections 6.3(a) or 6.3(b) thereof not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date or is not cured in accordance with the terms of Section 6.4 of the Arrangement Agreement; provided that any deliberate, willful or intentional breach shall be deemed to be incapable of being cured and BlackPearl is not then in breach of the Arrangement Agreement so as to cause any condition in Sections 6.2(a) or 6.2(b) thereof not to be satisfied;
- (ii) prior to the approval by the BlackPearl Shareholders of the BlackPearl Arrangement Resolution, the BlackPearl Board authorizes BlackPearl to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 7.1(b)(vi) of the Arrangement Agreement) with respect to, or BlackPearl intends to accept, recommend or enter into any agreement to implement, a Superior Proposal in accordance with Section 7.1 of the Arrangement Agreement, provided BlackPearl is then in compliance with Section 7.1 and, prior to or concurrent with such termination, BlackPearl pays the amount required pursuant to and in accordance with Section 8.3(a)(ii) of the Arrangement Agreement; or
- (iii) there has occurred a Material Adverse Change in respect of IPC and its Subsidiaries, taken as a whole.

In the event of the termination of the Arrangement Agreement pursuant to Section 8.1 thereof (as outlined under "*The Arrangement Agreement – Termination*"), the Arrangement Agreement shall

forthwith become void and have no further force or effect, and neither Party (nor its Representatives or shareholders) shall have any liability or further obligation to the other Party under the Arrangement Agreement, except with respect to the provisions and obligations set forth in Section 8.2, Sections 8.3 to 8.5, where applicable, and Article 9 of the Arrangement Agreement, which shall survive any termination thereof; provided that, subject to Section 8.5 of the Arrangement Agreement, nothing contained in Section 8.2 thereof shall relieve either Party from liability for fraud or for any breach of any provision of the Arrangement Agreement. No termination of the Arrangement Agreement shall affect the obligations of the Parties pursuant to the Confidentiality Agreement, except to the extent specified therein.

Liquidated Damages

The Parties acknowledge that the agreements contained in Article 8 of the Arrangement Agreement are an integral part of the transactions contemplated therein, and that without these agreements the Parties would not have entered into the Arrangement Agreement, and that the amounts set out in Article 8 thereof, including the Termination Fee, represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which IPC or BlackPearl, as applicable, will suffer or incur as a result of the event giving rise to such damages and resultant termination of the Arrangement Agreement, and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. Each Party agrees that the payment by BlackPearl to IPC of the Termination Fee in the manner provided in Section 8.3 of the Arrangement Agreement or the payment by BlackPearl or IPC to the other Party in the manner provided in Section 8.4 thereof, as applicable, is the sole monetary remedy of such Party in respect of the event giving rise to such payment; provided that (a) this limitation shall not apply in the event of fraud or deliberate breach of the Arrangement Agreement and (b) prior to any such termination, the Parties shall also have the right to injunctive and other equitable relief in accordance with Section 9.8 of the Arrangement Agreement to prevent breaches or threatened breaches thereof and to enforce compliance with its terms.

IPC Support Agreements

On October 9, 2018, the IPC Supporting Shareholders, which includes each of the directors and officers of IPC and the largest IPC Shareholder, who collectively hold approximately 34% of the outstanding IPC Shares, entered into the IPC Support Agreements with BlackPearl, pursuant to which the IPC Supporting Shareholders agreed to vote, or cause to be voted, the IPC Shares beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the IPC Share Issuance Resolution and any other matter necessary for the consummation of the Arrangement or any other transaction contemplated by the Arrangement Agreement. Pursuant to Section 611(b) of the TSX Company Manual, the votes cast by those IPC Supporting Shareholders who are insiders of IPC and who, together with their associates and affiliates, will receive IPC Shares under the Arrangement will be excluded for the purpose of determining approval of the IPC Share Issuance Resolution.

Pursuant to the IPC Support Agreements, each IPC Supporting Shareholder has agreed, among other things, not to:

- (a) sell, transfer, convey, assign or otherwise dispose of (other than by operation of applicable Laws or in connection with the Arrangement), or enter into any agreement, arrangement or understanding relating to the sale, transfer, conveyance assignment or other disposition of, their IPC Shares, without the prior written consent of BlackPearl; and
- (b) directly or indirectly, exercise any shareholder rights or remedies available to them (whether arising under Law or otherwise) to impede, frustrate, nullify, prevent, hinder, delay, upset or challenge the Arrangement.

In addition, each IPC Supporting Shareholder has agreed not to, directly or indirectly, sell, transfer, convey, assign or otherwise dispose of any IPC Shares held by them, except with the prior written approval of IPC, during the period commencing on the Effective Date and ending on the date that is six months following the Effective Date.

Each IPC Support Agreement may be terminated on the earlier of: (a) mutual written agreement of the applicable IPC Supporting Shareholder and BlackPearl; (b) the Effective Time; (c) the date that the Arrangement Agreement is terminated in accordance with the terms thereof; (d) the date on which the BlackPearl Board recommends a Superior Proposal or accepts, approves or enters into any agreement in respect of a Superior Proposal; and (e) the Outside Date.

BlackPearl Support Agreements

On October 9, 2018, the BlackPearl Supporting Securityholders, which includes all of the directors and executive officers of BlackPearl and certain other BlackPearl Securityholders, who collectively hold approximately 35% of the outstanding BlackPearl Shares, entered into the BlackPearl Support Agreements with IPC, pursuant to which the BlackPearl Supporting Securityholders agreed to vote, or cause to be voted, the BlackPearl Shares and BlackPearl Options beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the BlackPearl Arrangement Resolution and any other matter necessary for the consummation of the Arrangement or any other transaction contemplated by the Arrangement Agreement.

Pursuant to the BlackPearl Support Agreements, each BlackPearl Supporting Securityholder has agreed, among other things, not to:

- (a) sell, transfer, convey, assign or otherwise dispose of (other than by operation of applicable Laws or in connection with the Arrangement), or enter into any agreement, arrangement or understanding relating to the sale, transfer, conveyance assignment or other disposition of, their BlackPearl Shares, BlackPearl Options or BlackPearl RSUs, without the prior written consent of IPC;
- (b) directly or indirectly: (i) exercise any Dissent Rights or similar rights of appraisal with respect to the BlackPearl Shares and BlackPearl Options which might be available to the them in connection with the Arrangement; or (ii) exercise any other shareholder rights or remedies available to them (whether arising under Law or otherwise) to impede, frustrate, nullify, prevent, hinder, delay, upset or challenge the Arrangement; and
- (c) solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing information) any Acquisition Proposal or any inquiries, proposals or offers from any other Person relating to, enter into, engage in, continue or otherwise participate in any discussions or negotiations regarding, or otherwise cooperate in any way with or assist or participate in, or facilitate or encourage any effort or attempt, with respect to any Acquisition Proposal or any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal.

In addition, each of the executive officers of BlackPearl and certain other BlackPearl Supporting Securityholders have agreed not to, directly or indirectly, sell, transfer, convey, assign or otherwise dispose of any IPC Shares held or acquired under the Arrangement by them, except with the prior written approval of IPC, during the period commencing on the Effective Date and ending on the date that is six months following the Effective Date.

Each BlackPearl Support Agreement may be terminated on the earlier of: (a) mutual written agreement of the applicable BlackPearl Supporting Securityholders and IPC; (b) the Effective Time; (c) the date that the Arrangement Agreement is terminated in accordance with the terms thereof; (d) the date on which the board of directors of BlackPearl recommends a Superior Proposal or accepts, approves or enters into any agreement in respect of a Superior Proposal; and (e) the Outside Date.

EXPERTS

ERC Equipoise Limited, with a business address at: 6th Floor Stephenson House, 2 Cherry Orchard Road, Croydon CR0 6BA, London U.K., is one of the Corporation's independent qualified reserves auditors and has prepared the ERCE Report. The team responsible for the audit from ERCE have the following qualifications:

- Simon McDonald is a UK Chartered Engineer, registered with the Energy Institute (#580340) and a Member of the Society of Petroleum Evaluation Engineers (#714). He has over 40 years' experience in engineering studies related to International oil and gas fields.
- Paul Chernik is a Canadian Professional Engineer, registered with APEGA (#66938) and a Member of the Society of Petroleum Evaluation Engineers (#776). He has over 13 years' experience in engineering studies related to International oil and gas fields.

McDaniel & Associates Consultants Ltd., with a business address at: 2200, 255 – 5th Avenue SW, Bow Valley Square 3, Calgary, Alberta, T2P 3G6 Canada, is one of the Corporation's independent qualified reserves evaluators and has prepared the McDaniel Report. The team responsible for the evaluation from McDaniel have the following qualifications:

- Michael J. Verney is a Professional Engineer, registered with the Association of Professional Engineers and Geoscientists of Alberta (APEGA), a member of the Society of Petroleum Engineers and a member of the Society of Petroleum Evaluation Engineers. He has over 10 years' experience in the evaluation of oil and gas reserves in Canada.

None of ERCE, McDaniel or their respective officers, directors, employees or consultants beneficially owns, directly or indirectly, any of the outstanding Common Shares, nor have any economic or beneficial interest in the Corporation or in any of its assets, nor are they remunerated by way of a fee that is lined to the admission or corporate value of the Corporation.

INDEPENDENT ACCOUNTANTS / AUDITOR

PricewaterhouseCoopers AG, independent auditors, with Steve Johnson as the auditor in charge, is the Corporation's auditor and has audited the financial statements for the special-purpose combined carve-out financial statements of the Malaysia, France and the Netherlands Oil and Gas Businesses (a carve-out of Lundin Petroleum AB) for the years ended December 31, 2015 and 2016, and the consolidated financial statements of the Corporation for the years ended December 31, 2016 and 2017, each incorporated into this prospectus by reference, as stated in their audit opinions also incorporated by reference into this prospectus. PricewaterhouseCoopers AG has its registered office at St. Jakobs-Strasse 25, 4002 Basel, Switzerland. PricewaterhouseCoopers AG is a member of EXPERTsuisse – Swiss Expert Association for Audit, Tax and Fiduciary.

BlackPearl's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, in Calgary, Alberta.

CERTAIN TAX CONSIDERATIONS IN SWEDEN

Below is a summary of certain Swedish tax consequences that may arise for individuals and limited liability companies (Sw. aktiebolag) in relation to (a) the proposed Arrangement involving IPC and BlackPearl and (b) the listing of the IPC Shares. The summary is based on current Laws and is intended only as general information for Persons who are subject to unlimited tax liability in Sweden, unless otherwise stated. The analysis is not exhaustive and does, for example, not cover IPC Shares held as current assets in business operations or by a partnership. Moreover, it does not cover situations where a Person holds IPC Shares that are considered to be held for business purposes (participation exemption) or in shell companies (Sw. skalbolag). Nor does it cover the special rules that may apply to holdings in companies that are or have been so-called closely-held companies or securities acquired on the basis of so-called qualified shares in closely-held companies. Furthermore, the summary does not cover IPC Shares held in an investments savings account (Sw. investeringssparkonto) or endowment insurance (Sw. kapitalförsäkring). Nor does it cover situations where IPC shares are held by investment companies, insurance companies or investment funds. Finally, the summary does not cover matters related to credit of foreign taxes. The tax treatment of individual Persons depends on their particular circumstances. It is therefore recommended that individual Persons consult a tax advisor for information on the specific implications that may arise in the individual case, including the applicability and effect of foreign rules and tax treaties.

General

There are no specific tax rules for depositary receipts. As depositary receipts are a specific form of administration, the tax treatment follows the one that would apply to the underlying asset, in this case shares in BlackPearl and IPC.

BlackPearl Shareholders who have unlimited tax liability in Sweden

In this case, "unlimited tax liability" refers to holders of shares or other securities who are (a) a natural person who is resident or has habitual abode in Sweden or who has been resident in Sweden and has an essential connection with Sweden, or (b) any limited liability company registered in Sweden or whose board is seated in Sweden if registration has not taken place.

Taxation of the Arrangement (Sw. andelsbyte) for Persons with unlimited tax liability in Sweden

Two different sets of tax-rules that apply when natural persons and respective legal persons take part in a share exchange is summarized below. For these rules to apply, the following criteria (which are not exhaustive) must be met:

- (a) BlackPearl as well as IPC must be a "foreign company", which means that the companies must be foreign legal persons taxed at a rate of at least 12.1%. A foreign legal person is a foreign association which can (i) acquire rights and obligations, (ii) bring action in court and government bodies, and (iii) for which shareholders cannot freely dispose of its assets. BlackPearl and IPC should meet these requirements.
- (b) IPC must at the end of the calendar year of the Arrangement hold at least 50 percent of the voting capital in BlackPearl. If special circumstances led to IPC divesting the BlackPearl Shares after completion of the Arrangement, it is sufficient that IPC has had such holding at some point after the Arrangement under the aforementioned calendar year. Considering that IPC is contemplated to acquire all of the BlackPearl Shares under the Arrangement, this requirement should also be met.

Natural Persons who have limited tax liability in Sweden

If the BlackPearl Shareholder is resident or has habitual abode in the European Economic Area (the "EEA") and the criteria in paragraphs (a) and (b) above are fulfilled, no taxation is triggered by the Arrangement. Instead, the acquisition cost of the BlackPearl Shares is transferred to the IPC Shares (tax continuity (Sw. skattemässig kontinuitet)). The tax rules on the Arrangement for natural Persons are applied automatically in case the relevant criteria are fulfilled (i.e., the application of the rules is mandatory). If the BlackPearl Shareholder ceases to be resident or have habitual abode in the EEA in the future, the BlackPearl Shareholder will be taxed for the capital gain which arose at the time of the Arrangement.

Part of the remuneration can be paid in cash; however, in such case, the cash portion of the remuneration is subject to taxation the year of the Arrangement.

If the criteria are not fulfilled, the BlackPearl Shareholder is subject to immediate taxation on the capital gain which is calculated as the fair market value of the IPC Shares less the acquisition price for the BlackPearl Shares. The capital gain is taxed at a rate of 30% (listed shares). The rules on natural Persons are also applicable for estates.

Limited liability companies who have unlimited tax liability in Sweden

When the BlackPearl Shareholder participating in the Arrangement is a limited liability company, the BlackPearl Shareholder's capital gain is determined at the time of the Arrangement. The capital gain is calculated as the fair market value of the IPC Shares less the acquisition price for the BlackPearl Shares. The capital gain is normally subject to 22% corporate income tax. If the criteria in paragraphs (a) and (b) above are fulfilled, the BlackPearl Shareholder can apply for deferral with the capital gains taxation. In case of deferral, the capital gains taxation is due upon divestment of the IPC Shares.

The share exchange rules for limited liability companies are applied on a voluntary basis upon application of the taxable company. IPC will apply for general guidelines from the Swedish Tax Agency regarding the deemed sale price of the BlackPearl Shares (to be used for the capital gains calculation). Information from the Swedish Tax Agency's general guidelines will be published as soon as possible on IPC's and the Swedish Tax Agency's websites. Part of the remuneration can be paid in cash; however, in such case, the cash-portion of the remuneration is subject to taxation the year of the Arrangement.

Taxation on the divestment of IPC Shares

Natural persons who have unlimited tax liability in Sweden

Natural persons and estates who have unlimited tax liability in Sweden are taxed on the sale of IPC Shares for any profit as income from capital at a rate of 30%. The capital gain or capital loss is calculated as the difference between the sales proceeds less expenses relating to the disposal and the tax base value of the divested IPC Shares (acquisition cost). The tax base value comprises the acquisition price plus brokerage fees.

The average method is used when calculating the capital gains. According to this method, the tax base value of one IPC Share comprises the average tax base value of all shares of the same class and type. Upon the sale of listed shares, such as IPC Shares, the tax base value may alternatively be determined according to the standard method at a rate of 20% of the sales proceeds less expenses relating to the disposal.

A capital loss on listed shares and other listed securities may be fully offset against taxable capital gains the same year on shares and other listed securities, except for shares in investment funds that only contain Swedish receivables (fixed income funds). Capital losses on shares not absorbed by these set-off rules are deductible at 70% against other income from capital. To the extent a capital loss cannot be offset against capital gains, a tax reduction is allowed against municipal and state income tax, as well as property tax and municipal property tax. A tax reduction is allowed at a rate of 30% of the portion of the loss that is not greater than SEK 100,000 and 21% of the remaining portion. Any excess net loss cannot be carried forward to future tax years.

Limited liability companies who have unlimited tax liability in Sweden

For limited liability companies, taxable capital gains are taxed at the ordinary corporate income tax rate of 22% (the rate will be reduced in two steps, in January 2019 (to 21.4%) and January 2021 (to 20.6%)). Capital gains and losses are calculated in essentially the same manner as described above with respect to natural persons. A deduction for capital losses on shares or other securities is allowed only against taxable capital gains on such securities. If certain conditions are fulfilled, such capital losses may also be offset against capital gains in companies within the same group. Capital losses that cannot be utilized in a given year may be carried forward and deducted against taxable capital gains on shares and other securities in subsequent years without limitation in time.

IPC Shareholders who have limited tax liability in Sweden

IPC Shareholders who have limited tax liability in Sweden and whose holdings are not attributable to a permanent establishment in Sweden are usually not taxed in Sweden for capital gains on the disposal of shares or subscription rights. However, IPC Shareholders may be subject to taxation in their country of residence. According to a special rule, however, natural persons with limited tax liability in Sweden may be subject to Swedish taxation upon the sale of certain foreign securities (such as shares) if at any time during the year of sale, or any of the ten previous calendar years, the shareholder has been resident or had habitual abode in Sweden. For this rule to apply, the foreign security must have been acquired at the time the shareholder was unlimited tax liable in Sweden. Applicability of this rule may be limited by the applicable tax treaty for the avoidance of double taxation.

Taxation of dividends on IPC Shares

Shareholders who have unlimited tax liability in Sweden

Dividends on shares are usually taxable. Natural persons and estates who have unlimited tax liability in Sweden are taxed for income from capital at a rate of 30%. For limited liability companies, dividends are taxed as income from business operations at a rate of 22% (see above regarding reduced tax rate).

The tax on dividends to natural persons and estates is withheld by Euroclear so that the total tax withheld (including foreign withholding tax) equals 30% of the gross dividend. Due to foreign withholding tax, the Swedish tax withheld by Euroclear will not amount to the full 30% that is due. The tax on dividends to limited liability companies is not withheld.

Canadian withholding tax

Since the IPC Shares are shares in a Canadian company, dividends paid to a shareholder non-resident in Canada (e.g. unlimited tax liable person in Sweden) will be subject to a Canadian withholding tax (withheld by IPC or share depository). According to the tax treaty between Canada and Sweden, the withholding tax rate will generally be limited to 15%. Where the beneficial owner is a corporation that directly controls at least 10% of the voting rights or holds directly at least 25% of the capital in the company, the withholding tax rate will be reduced to 5%. Unless the dividend is tax-exempt for the Swedish shareholder, the Canadian tax withheld can generally be credited against Swedish tax.

SUMMARY OF SHAREHOLDER RIGHTS

This summary sets out certain differences between the rights of shareholders in the Corporation based upon current British Columbia legislation and other applicable corporate governance rules in Canada and the Corporation's current articles, as compared with the rights of shareholders generally under Swedish corporate law (in those parts applicable to public limited liability companies whose shares are subject to trading on a regulated market) and Swedish corporate governance principles.

Unless expressly stated otherwise Swedish law and corporate governance rules are not applicable on the Corporation. The summary should therefore only serve as an overview of the main differences between Canadian and Swedish law and rules as per the date hereof.

The summary is of a general nature and it is not an exhaustive review of all potentially relevant differences between Canadian and Swedish law and corporate governance requirements.

The Business of the Corporation

British Columbia

Under the BCBCA, the articles set the rules of a company's conduct and set out every restriction, if any, on (i) the business that may be carried on by the company and (ii) the powers that the company may exercise. The articles of the Corporation do not include any restrictions on the Corporation's business.

Sweden

Under the *Swedish Companies Act*, the objectives of a Swedish company must be set out in the articles of association. These objectives set out the limits within which a company can operate.

Shares

British Columbia

The shares have been issued in accordance with the BCBCA. The capital structure of the Corporation is composed of an unlimited number of Common Shares without par value and an unlimited number of Preferred Shares, issuable in series.

Sweden

Under the *Swedish Companies Act*, a company may issue different classes of shares only if such share classes are specified in a company's articles of association. The articles shall also contain limitations on the minimum and maximum number of shares of each share class.

Voting rights

British Columbia

Under the BCBCA, every company having more than 100 shareholders must, unless the central securities register is in a form constituting in itself an index, keep an index of the names of the shareholders of the company as a part of its central securities register, and, within 14 days after the date on which an alteration is made in the central securities register, make any necessary alteration in the index. The index of shareholders must be so kept as to enable particulars with respect to every shareholder to be readily ascertained. A shareholder has one vote in respect of each share held by that shareholder and is entitled to vote in person or by proxy. A registered shareholder can either attend the meeting and vote him or herself or appoint someone else to vote his or her Common Shares (a "proxy holder"). A shareholder appoints a proxy holder to attend and act on the shareholder's behalf at a meeting of shareholders by giving the proxy holder a completed and executed form of proxy. A proxy holder is required to vote the Common Shares in accordance with the shareholder's instructions.

Under ordinary principles of property and trust law a non-registered shareholder has beneficial ownership of the shares, but a trustee, person or other legal representative, agent or other intermediary (an "intermediary") is the registered holder that holds the Common Shares on behalf of the beneficial owner. The intermediary cannot vote the Common Shares registered in its name unless it receives written voting instructions from the beneficial owner. If the beneficial owner requests and provides an intermediary with appropriate documentation, the intermediary must appoint the beneficial owner or nominee of the beneficial owner as proxy holder.

Unless the memorandum or by-laws otherwise provide, any meeting of shareholders may be held entirely by means of telephone or other communications medium, provided all shareholders and proxy holders participating in the meeting are able to communicate with each other.

Sweden

Under the *Swedish Companies Act*, all shares carry one vote unless different share classes with different voting rights are provided for in the articles of association of the company. No share may however have a voting right which exceeds ten times the voting rights of any other share.

Shareholders registered in the share register as of the record date for a general meeting are entitled to vote at such general meeting (in person or by appointing a proxy holder). Shareholders with shares registered through a nominee must request to be temporarily registered as a shareholder of record on the record date in order to participate in a general meeting. The share register is kept by Euroclear Sweden and the record date for a general meeting shall be the fifth business day prior to the date of the meeting. Shareholders must also, if provided for in the articles of association, give notice of their intention to attend a shareholder meeting.

Shareholder meetings

British Columbia

Under the BCBCA, the directors of the Corporation must call an annual meeting of shareholders not later than 18 months after the date on which it was recognized, and subsequently, at least once in each calendar year and not more than 15 months after the annual reference date for the preceding calendar year. Meetings of shareholders of a corporation shall be held in British Columbia, or may be held at a location outside British Columbia if the location for the meeting is approved by the resolution required by the articles for that purpose or approved by ordinary resolution, as applicable, or the location for the meeting is approved in writing by the registrar before the meeting is held.

The holders of at least 1/20 of the issued Common Shares may also requisition the directors to call a meeting of the shareholders for the purposes stated in the requisition, provided that the business may be transacted at a general meeting. Subject to certain exemptions, on receiving the requisition, the directors shall call a general meeting to be held not more than four months after the date on which the requisition is received. If the directors fail to send notice of a general meeting within 21 days after the date on which the requisition is received, any shareholder who signed the requisition holding more than 1/40 of the issued Common Shares may call the meeting.

Under the articles of the Corporation the directors, president (if any), the secretary (if any), the assistant secretary (if any), any lawyer of the Corporation, the auditor of the Corporation and any other person invited by the directors are entitled to attend any meeting of shareholders, but are not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

Under the BCBCA, a consent resolution of shareholders is deemed to be a proceeding at a meeting of those shareholders and to be as valid and effective as if it had been passed at a meeting of shareholders.

Sweden

An annual general meeting must be held within six months from the end of each financial year at which the board of directors must present the annual report and auditor's report. Resolutions on the following matters must be passed at the annual general meeting: (i) adoption of the profit and loss account and balance sheet, (ii) allocation of the company's profit or loss as set out on the adopted balance sheet, (iii) discharge from liability for directors and the managing director and (iv) other matters to be dealt with under the *Swedish Companies Act* or the articles of association of the company. For a Swedish company with shares listed on a regulated market a resolution must also be passed on guidelines for remuneration payable to senior executives.

Under the *Swedish Companies Act*, the board of directors is responsible for convening general meetings but holders of not less than 10% of all shares in the company may in writing demand that an extraordinary general meeting is convened. In such case, notice to attend the meeting shall be issued by the board within two weeks of receipt of the demand therefor. When a general meeting is not convened in the prescribed manner, the Swedish Companies Registration Office shall, following notification, convene the general meeting. General meetings shall be held in the municipality in which the board of directors holds its registered office or in another municipality in Sweden if specified in the articles of association.

The general meeting shall be opened by the chairman of the board or such person as the board has decided. Moreover, the Swedish corporate governance code stipulates that the chairman of the board of directors together with a quorum of directors, as well as the chief executive officer, shall attend general meetings. The chairman of the general meeting shall be nominated by the nomination committee and elected by the general meeting.

Minutes from general meetings shall be available on the company's website no later than two weeks after the meeting.

Notices

British Columbia

The Corporation must send notice of the date, time and location of a general meeting of the Corporation at least the prescribed number of days but not more than two months before the meeting to each shareholder entitled to attend the meeting.

Under its articles the Corporation must send notice of the date, time and location of any meeting of shareholders, in the manner provided in the articles or in such other manner, if any, as may be prescribed by ordinary resolution, to each shareholder entitled to attend the meeting, to each director and to the auditor, unless the articles of the Corporation otherwise provide, at least 21 days before the meeting.

Sweden

Under the *Swedish Companies Act*, a general meeting of shareholders must be preceded by a notice. The notice of the annual general meeting of shareholders must be given no sooner than six weeks and no later than four weeks before the date of the meeting. In general, notice of extraordinary general meetings must be given no sooner than six weeks and no later than three weeks before the meeting. The notice shall be announced in a press release, published in the Swedish Official Gazette and on the company's website. The company must also publish in a daily newspaper with nationwide circulation a short form message containing information regarding the notice and where it can be found. The notice shall include an agenda listing each item that the meeting is to resolve upon and the main content of the proposed resolutions. The Corporation also needs to publish its notice of a general meeting on its website.

Pursuant to the Swedish corporate governance code, a company shall, as soon as the time and venue of a general meeting have been decided publish such information on the company's website. With respect to annual general meetings, such publication shall be made no later than in conjunction with the third quarterly report.

Record date

British Columbia

The directors of the Corporation may set a date as the record date for any purpose, including for the purpose of determining shareholders entitled to notice of or entitled to vote at a meeting of shareholders. Under the BCBCA, the record date must not precede the date of the meeting by more than two months (or, in the case of a requisitioned meeting, four months). Under Canadian securities laws, the record date for notice of the meeting shall be no fewer than 30 days and no more than 60 days before the meeting date. Further, under the Corporation's articles, the record date must not precede the date on which the meeting is held by fewer than 21 days.

Sweden

Under the *Swedish Companies Act* the record date for a general meeting is the fifth work day (i.e., not a holiday) prior to the date of the meeting. In connection with other events such as inter alia rights issues of new shares, the record date may be determined by the board of directors within certain time frames stipulated by, inter alia, the *Swedish Companies Act*.

Issue of shares

British Columbia

Under the BCBCA:

- (1) subject to the notice of articles and the Corporation's articles, shares may be issued at the times and to the persons as the directors may determine, and for such consideration as set by a directors' resolution; and
- (2) a share must not be issued until (i) it is fully paid in money or in property or past services performed for the Corporation, and (ii) the valuation of the consideration received by the Corporation equals or exceeds, to the satisfaction of the directors, the issue price as determined by the directors.

Sweden

Under the *Swedish Companies Act*, resolutions on new share issues are as a main rule passed by the shareholders at a general meeting. A general meeting may also authorize the board of directors to issue new shares for a period no longer than until the next annual general meeting. Furthermore, the board of directors may also resolve to issue new shares without such authorization, provided that the resolution is conditioned upon the shareholders' subsequent approval at a general meeting.

New shares may be issued against payment in cash, in kind or by way of set-off. As a main rule, the shareholders have pre-emption rights to new shares issued (see “Pre-emption rights”).

When issuing new shares the limitations on maximum number of shares and share capital set out in the company’s articles of association need to be adhered to, unless a general meeting decides to amend the articles of association.

Pre-emption rights

British Columbia

The articles of incorporation of the Corporation are not required to and do not contain any pre-emption rights.

Sweden

Under the *Swedish Companies Act*, shareholders have pre-emption rights (“*företrädesrätt*”) to subscribe for new shares issued *pro rata* to their shareholdings as of a certain record date for the new share issue. Pre-emption rights to subscribe for new shares do not apply in respect of shares issued for consideration in kind or shares issued pursuant to convertibles or warrants previously granted by the company. The pre-emption rights to subscribe for new shares may also be set aside by a resolution passed by two thirds of the votes cast and shares represented at the general meeting resolving upon the issue. The corresponding majority threshold applies to a decision by a general meeting to authorize the board to decide upon new share issues with deviation from shareholders’ pre-emption rights.

Dividends

British Columbia

Under the BCBCA, the Corporation may declare and pay a dividend in property, including in money, or by issuing shares or warrants of the Corporation. The Corporation must not declare or pay a dividend in property, including in money, if there are reasonable grounds for believing that (a) the Corporation is insolvent, or (b) the payment of the dividend would render the Corporation insolvent.

Sweden

Under the *Swedish Companies Act*, resolutions on payments of dividends must be passed at a general meeting. A resolution to pay dividends may, with some exceptions, not exceed the amount recommended by the board of directors. Dividends may only be made if, after the payment of the dividend, there is sufficient coverage for the company’s restricted equity and the payment of dividends is justified, taking into consideration the equity required for the type of operations, the company’s (or the group’s when applicable) need for consolidation and liquidity as well as the company’s (or the group’s when applicable) financial position in general. The assessment shall be based on the most recently adopted balance sheet taking into consideration changes in the restricted equity which have occurred subsequent to the balance sheet date.

Each shareholder appearing in share register as of the record date for the dividend is entitled to receive the dividend distribution. Dividends are normally distributed to the shareholders through Euroclear Sweden.

Distribution of assets on liquidation

British Columbia

Under the BCBCA, the Corporation may apply to the court to supervise a voluntary liquidation. After the final accounts have been approved by the court, the liquidator will distribute any remaining assets of the Corporation, after paying or making provision for all the Corporation’s liabilities, among the shareholders according to their respective rights.

Swedish

Under the *Swedish Companies Act*, a company can enter into voluntary liquidation following a resolution passed at the general meeting by a simple majority of the votes cast, unless otherwise provided in the articles of association of the company. All shares carry equal rights in a liquidation procedure unless otherwise provided for in the company's articles of association.

The *Swedish Companies Act* also stipulates that a company shall enter into compulsory liquidation procedure in a capital deficiency situation and in certain other situations.

Certain extraordinary corporate actions

British Columbia

Under the BCBCA, certain extraordinary corporate actions, such as certain amalgamations and continuations, and other extraordinary corporate actions, such as liquidations, dissolutions and arrangements, are required to be approved by special resolution. A special resolution is a resolution passed at a meeting by not less than two-thirds of the votes cast on the resolution or a resolution signed by all of the shareholders entitled to vote on that resolution. In certain cases, a special separate resolution to approve an extraordinary corporate action is also required to be approved separately by the holders of a separate class or series of shares.

Sweden

Under the *Swedish Companies Act*, a statutory merger requires a shareholder resolution passed at a general meeting. The majority requirements for a valid resolution depends on the type of companies involved, however never less than two-thirds of the votes cast and the shares represented at the meeting. A material change of the operations conducted by the company may require a change of the company's objects and purposes in the articles of association. See "Amendment to the articles".

Change of Control Restrictions

British Columbia

British Columbia law does not impose any change of control restrictions on the Corporation.

Sweden

Not applicable for Swedish companies with shares listed on a regulated market.

Mandatory takeover bids/squeeze-out rules

British Columbia

Under British Columbia law, an acquisition offer (defined as an offer made by a person or persons acting jointly or in concert to acquire shares of a company) is accepted if, within 4 months after the making of the offer, the offer is accepted regarding the shares by shareholders who, in the aggregate, hold at least 9/10 of those shares (other than shares already held at the date of the offer by the acquiring person or its affiliate). In such a case, the acquiring person may, within five months of making the offer, send written notice to any offeree who did not accept the offer that the acquiring person wants to acquire the offeree's shares.

Where such a notice is sent to an offeree, the acquiring person is entitled and bound to acquire all the offeree's shares involved in the offer for the same price and on the same terms contained in the acquisition offer (unless the court orders otherwise) on an application made by that offeree within two months of the date of the notice.

If a notice has been sent by an acquiring person and the court has not ordered otherwise, the acquiring person must, no earlier than two months after the date of the notice, send a copy of the notice to the

subject company, and pay to the subject company the amount representing the price payable by the acquiring person for the shares referred to in the notice. On receiving a copy of the notice and such consideration, the subject company must register the acquiring person as a shareholder with respect to those shares.

If the acquiring person has not sent the notice within one month after becoming entitled to do so, the acquiring person must send a written notice to each offeree stating that the offeree, within 3 months after receiving the notice, may require the acquiring person to acquire that offeree's shares involved in the acquisition offer. If an offeree requires the acquiring person to acquire the offeree's shares, the acquiring person must acquire those shares for the same price and on the same terms contained in the acquisition offer.

Every acquisition offer for shares of more than one class of shares is deemed to be a separate acquisition offer for shares of each class of shares.

Sweden

Under Swedish law an obligation to launch a mandatory take-over bid applies when a party becomes the owner of 30% or more of the votes in a Swedish company with shares listed on a regulated market.

Under the *Swedish Companies Act*, a shareholder holding more than 90% of the shares in a company (majority shareholder) is entitled, on a compulsory basis, to buy-out the remaining shares of the other shareholders of the company. On the other hand, a minority shareholder is also, in such situation, entitled to compel the majority shareholder to purchase his or her shares.

Redemption provisions

British Columbia

Under the BCBCA, the Corporation may liquidate by a special resolution of the shareholders.

After giving the appropriate notice and adequately providing for the payment or discharge of all its obligations, the Corporation will distribute its remaining property, either in money or in kind, among its shareholders according to their respective rights.

Subject to the conditions in the BCBCA and the Corporation's articles, the Corporation may purchase or otherwise acquire any of its shares. The Corporation must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that (a) the Corporation is insolvent, or (b) making the payment would render the Corporation insolvent.

Notwithstanding this, but subject to the conditions in the BCBCA and the Corporation's articles, the Corporation may redeem, on the terms and in the manner provided in its articles, any of its shares that has a right of redemption attached to it. The Corporation must not make a payment or provide any other consideration to redeem any of its shares if there are reasonable grounds for believing that (a) the Corporation is insolvent, or (b) making the payment or providing the consideration would render the Corporation insolvent.

Sweden

Under the *Swedish Companies Act*, a company with shares listed on a regulated market is permitted to repurchase a maximum of 10% of all outstanding shares in the company. A resolution to repurchase shares must be taken either by shareholders holding not less than two-thirds of both the votes cast and the shares represented at the general meeting or, following authorization from the general meeting with same majority vote, by the board of directors.

A general meeting may also resolve upon the redemption of the company's shares through which the share capital of the company will be reduced. This is a formal and complex process, which as a main rule involves also notice to the company's creditors.

Amendment to the articles

British Columbia

Under the BCBCA and the articles of the Corporation, any amendment to the articles generally requires approval by special resolution, which is a resolution passed by not less than two-thirds of the votes cast on the resolution or a resolution signed by all of the shareholders entitled to vote on that resolution.

Sweden

Under the *Swedish Companies Act*, an amendment of the articles of association requires a shareholder resolution at a general meeting. The majority requirement for a valid resolution depends on the type of alteration. However, not less than two-thirds of the votes cast and of the shares represented at the meeting will be required. The board of directors is not allowed to make amendments to the articles of association. Any amendment to the articles will have to be registered with the Swedish Companies Registration Office.

Directors and the board of directors

Number of directors

British Columbia

Under the BCBCA, a public company must have at least three directors. The first directors of a company hold office as directors from the recognition of the company until they cease to hold office upon expiry of term, death or resignation of the director or removal by a special resolution of the shareholders.

Under the BCBCA and the articles of the Corporation, the directors may also appoint one or more additional directors, who shall also hold office for a term expiring at the end of the next annual meeting, provided that the total number of directors so elected shall not exceed one-third of the number of directors elected at the previous annual meeting.

Sweden

Under the *Swedish Companies Act*, the board of directors in a public company shall comprise not less than three members and the chairman of the board of directors may not be the managing director of the company. At least half of the directors shall be resident within the European Economic Area, unless otherwise approved by the Swedish Companies Registration Office. The actual number of board members shall be determined by a shareholders' meeting, within the limits set out in the company's articles of association.

For companies to which the Swedish corporate governance code applies, not more than one director may also be a senior executive of the relevant company or a subsidiary. In addition, a majority of the board members shall be independent of the company and its management and two of these members shall also be independent of major shareholders in the company.

Nomination, appointment and removal of directors

British Columbia

At every annual general meeting, the shareholders entitled to vote at the annual general meeting for the election of directors must elect a board of directors consisting of the number of directors set under the Corporation's articles. All the directors cease to hold office immediately before the election or appointment of directors at the next annual general meeting, but are eligible for re-election.

Under the BCBCA, the Corporation may remove a director before the expiration of the director's term in office by a special resolution, which is a resolution passed by not less than two-thirds of the votes cast on the resolution or a resolution signed by all of the shareholders entitled to vote on that resolution. However, there are a couple of exceptions. If the shareholders holding shares of a class or series of

Common Shares have the exclusive right to elect or appoint one or more directors, a director so elected or appointed may only be removed by a special separate resolution of those shareholders. In addition, the articles of the Corporation provide that the directors may remove any director before the expiration of his or her term if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director and does not promptly resign.

Sweden

Under Swedish law, the board of directors shall, except for any employee representatives, be elected by the shareholders at a general meeting, unless the articles of association provide otherwise. The members of the board of directors are usually elected for the period until the end of the first annual general meeting held after the year in which the directors were elected, unless a longer term of up to four financial years is set out in the articles of association. It is possible for a board member to be re-elected for a new term of office.

Companies to which the Swedish corporate governance code applies shall have a nomination committee. In addition to nominating directors, the nomination committee shall nominate the chairman of the board of directors and the auditors and shall also propose fees to each director and to the auditors. The nomination committee's proposals are to be presented in the notice of the general meeting and on the company's website. At the same time, the nomination committee is to issue a statement on the company's website explaining its proposals and providing more information about the candidates proposed for election or re-election. The statement is also to include an account of how the nomination committee has conducted its work and, for certain companies, a description of the diversity policy applied by the nomination committee in its work.

Under the Swedish corporate governance code, the annual general meeting of shareholders shall either appoint the members of a nomination committee or pass a resolution specifying how the members are to be appointed. The nomination committee shall have at least three members, one of whom is to be appointed committee chair. The majority of the members are to be independent of the company and its executive management. One of the independent members shall also be independent of the company and one shall be independent of the largest shareholders. Members of the board of directors may be members of the nomination committee but may not constitute a majority thereof. The chief executive officer and other senior executives may not be members of the nomination committee. Regardless of how they are appointed, members of the nomination committee are to promote the common interests of all shareholders in the company.

Remuneration

British Columbia

According to the articles of the Corporation, the directors are entitled to the remuneration for acting as directors, if any, as the directors may determine from time to time. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Corporation as such, who is also a director. The Corporation must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Corporation. If any director performs any professional or other services for the Corporation that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Corporation's business, he or she may be paid remuneration fixed by the directors, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

Sweden

Under the *Swedish Companies Act*, the remuneration to the board of directors shall be determined by the general meeting of shareholders, specifying the amount for each director. For companies complying with the Swedish corporate governance code, the nomination committee's proposal to the general meeting of shareholders shall include a proposal regarding the remuneration to each member of the board.

In addition, the board of directors shall, pursuant to the Swedish corporate governance code, have a remuneration committee. The remuneration committee shall prepare the board of directors' resolutions

regarding executive compensation and shall monitor and evaluate the company's principles and levels of remuneration to the executive management, including programs for variable compensation. The code also stipulates that variable compensation paid in cash to the executive management shall be subject to predetermined limits regarding the total outcome and that the board of directors in such cases shall consider (i) to make payment conditional on the performance proving to be sustainable over time, and (ii) to introduce the right to reclaim remuneration that has been paid on the basis of information which later proves to be manifestly misstated. Furthermore, all share and share-price related incentive schemes for the executive management shall be approved by a general meeting. The board of directors should not participate in such share and share-price related incentive schemes.

Powers of the board of directors

British Columbia

Subject to the BCBCA and the Corporation's articles, the directors of the Corporation must manage or supervise the management of the business and affairs of the Corporation. Directors of corporations governed by the BCBCA have fiduciary obligations to the corporation. Under the BCBCA, directors must act honestly and in good faith with a view to the best interests of the Corporation, exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances, act in accordance with the BCBCA and the regulations, and, subject to the preceding duties, act in accordance with the articles of the Corporation.

Sweden

Under the *Swedish Companies Act*, the board of directors is responsible for the organization of the company and the management of the company's affairs. The board of directors shall regularly assess the financial position of the company and ensure that the company's organization is structured in such a manner that accounting, management of funds and the company's finances in general are monitored in a satisfactory manner. Further, the board shall appoint a managing director and issue instructions to such managing director setting out the responsibilities of the board and managing director. The board shall also issue instructions in reporting obligations in order for the board to fulfill its duties.

The managing director is responsible for the day-to-day management of the company pursuant to guidelines and instructions issued by the board of directors. In addition, the managing director may, without authorization by the board of directors, take measures which, in light of the scope and nature of the company's operations, are of an unusual nature or of great significance, provided a decision by the board of directors cannot be awaited without significant prejudice to the company's operations. In such cases, the board of directors shall be notified as soon as possible of any measures taken. The managing director shall be resident within the European Economic Area, unless otherwise approved by the Swedish Companies Registration Office.

Right to indemnification

British Columbia

Under the BCBCA, the Corporation may indemnify a director or officer, a former director or officer, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity (an "**Eligible Party**"), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by the individual in respect of a proceeding in which the individual is joined as a party or liable by reason of the Eligible Party's association with the Corporation or other entity. The Corporation must not indemnify an Eligible Party if (a) the Eligible Party did not act honestly and in good faith with a view to the best interests of the Corporation or the associated corporation; or (b) in the case of a proceeding other than a civil proceeding, the Eligible Party did not have reasonable grounds for believing that the Eligible Party's conduct in respect of which the proceeding was brought was lawful.

The BCBCA also allows the Corporation to pay the expenses actually and reasonably incurred by an Eligible Party, as they are incurred in advance of the final disposition of an eligible proceeding. The Corporation must not make such payments unless the Corporation receives a written undertaking from

the Eligible Party that, if the Eligible Party does not fulfill the conditions noted in (a) and (b) above, the Eligible Party will repay the amounts advanced.

Under the articles of the Corporation, the Corporation may, subject to the BCBCA, indemnify any person and further must, subject to the BCBCA, indemnify a director or former director of the Corporation and his or her heirs and legal personal representatives against all eligible judgments, penalties or fines awarded or imposed in, or an amount paid in settlement of, a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director or former director of the Corporation or any of the heirs and legal personal representatives of the director or former director, by reason of the director or former director being or having been director of the Corporation, is or may be joined as a party, or, is or may be liable for or in respect of an eligible judgment, penalty or fine in, or expenses related to, the proceeding.

Sweden

The *Swedish Companies Act* does not contain any specific provisions requiring that the articles of association provide for indemnification of board members, officers or other persons. Instead, Swedish companies can have professional indemnity insurance in place for its board members and officers.

The annual general meeting of shareholders shall resolve on the discharge of the board of directors and managing director from liability. An action for damages on behalf of the company may be available in certain circumstances against a founder, board member, managing director, auditor or shareholder of the company. Such action may be brought if the majority, or a minority comprising owners of at least one-tenth of all shares in the company, has supported a general meeting resolution to bring an action for damages or, in the case of a director or managing director, have voted against a resolution on discharge from liability. The action for damages in favor of a company may also be conducted by owners (in their own name) of at least one-tenth of all shares.

A settlement on liability for damages for the company may be concluded only at a general meeting and only if owners of at least one-tenth of all shares in the company do not vote against the settlement proposed. However, if an action for damages is brought by a shareholder on behalf of the company, a settlement may not be reached without his or her consent.

Financial statements, auditor's reports, auditors and audit committee

British Columbia

Under the BCBCA, the directors of the Corporation must place before the shareholders at every annual general meeting: (a) comparative financial statements as prescribed, relating separately to the period that began on the date the corporation came into existence and ended not more than six months before the annual meeting or, if the corporation has completed a financial year, the period that began immediately after the end of the last completed financial year and ended not more than six months before the annual meeting, and the immediately preceding financial year; (b) any auditor's report on those financial statements; and (c) any further information respecting the financial position of the Corporation and the results of its operations required by the articles or any unanimous shareholder agreement.

A reporting issuer that is listed on the TSX is required to prepare and file on SEDAR its annual financial statements an annual MD&A, along with the report of the auditor, if any, on or before the earlier of (a) the 90th day after its financial year-end; and (b) the date of filing, in a foreign jurisdiction, its annual financial statements for the most recently completed financial year. A reporting issuer that is listed on the TSX is required to prepare and file on SEDAR its quarterly financial statements and interim MD&A on or before the earlier of (a) the 45th day after the interim period; and (b) the date of filing, in a foreign jurisdiction, its interim financial statements for the most recently completed interim period.

Under the BCBCA, a public company or financial institution must, at the first meeting held on or after each annual reference date, elect an audit committee from among their number. An audit committee must be composed of at least three directors, and a majority of the members of the committee must not be officers or employees of the company or an affiliate of the company. The primary responsibility for the Corporation's financial reporting, accounting systems and internal controls is vested in senior

management and is overseen by the directors of the Corporation. The audit committee is a standing committee of the board, established to assist it in fulfilling its responsibilities in this regard. The audit committee must, in addition to or as part of any responsibilities assigned to it under the BCBCA, review and report to the directors on (a) the annual or interim financial statements of the company; and (b) the auditor's report if any, prepared in relation to those financial statements, before any of the preceding documents are published. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the audit committee to ensure that management has done so.

Sweden

Under the *Swedish Companies Act*, the annual general meeting shall adopt the balance sheet and the profit and loss statement. Further, it makes decisions in respect of the disposition of the company's profit or loss (such as payment of dividends). A company with shares listed on a regulated market is required to make its annual reports public not later than four months after the end of each financial year.

The annual report, together with the auditor's report, must be presented at the annual general meeting which according to the *Swedish Companies Act* is to be held within six months after the end of the financial year.

Auditors are appointed by the general meeting of shareholders, whereby a registered accounting firm may be appointed as auditor. The Swedish corporate governance code requires that the board of directors shall at least once annually meet the company's auditor without any member of the executive management present.

Companies with shares listed on a regulated market must have an audit committee, unless the assignments of such committee are carried out by the board of directors. The members of the committee may not be employees of the company. At least one member must be independent and have accounting or auditing proficiency. The audit committee shall appoint one of its members as chairperson. The audit committee shall, without any impact otherwise on the responsibility and tasks of the board of directors (i) monitor the company's financial reporting and provide recommendations and proposals to ensure the reliability of the reporting; (ii) in respect of the financial reporting, monitor the efficiency of the company's internal controls, internal audits, and risk management; (iii) keep itself informed regarding audit of the annual report and group accounts as well as regarding the conclusions of the Supervisory Board of Public Accountants quality controls; (iv) inform the board of directors of the result of the audit and the way in which the audit contributed to the reliability of the financial reporting, as well as the function filled by the committee; (v) review and monitor the impartiality and independence of the auditor and, in conjunction therewith, pay special attention to whether the auditor provides the company with services other than auditing services; and (vi) assist in conjunction with preparation of proposals to the general meeting's resolution regarding election of an auditor. Where the company has a nominating committee in which the shareholders have a significant influence, the company may instead instruct the nominating committee to submit a proposal to the general meeting regarding the election of an auditor.

Corporate governance reports and website

British Columbia

If management of a company listed on the TSX solicits a proxy from a security holder of the company for the purpose of electing directors to the company's board of directors, the company must provide corporate governance information in its management information circular (usually referred to as a proxy circular). The circular is distributed together with the notice of the relevant shareholders' meeting and is filed on SEDAR. There is no requirement to include the circular on the company's website, unless the company is relying on certain notice-and-access provisions in *National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer*, nor is there a requirement to have the circular reviewed by the company's auditors. The content of the circular is regulated by Canadian securities laws, and the circular must, among other things, include a discussion of the company's compliance with Canadian corporate governance principles.

The Corporation may include information useful to investors on its website; however, all such information must comply with relevant securities laws regarding permitted, required and restricted disclosure.

Sweden

Swedish companies with shares listed on a regulated market are obliged by law to prepare an annual corporate governance report with information about, among other things, the key elements of the internal control systems, information about major shareholders, information about the board of directors and its committees and any mandates for the board of directors to issue new shares or acquire treasury shares.

The boards of certain companies are also to prepare an annual sustainability report with information to shareholders and the capital market on sustainability issues that is necessary for an understanding of the company's development, position and results, as well as the environmental impact of its operations.

The Swedish corporate governance code requires that the company clearly (i) states which rules of the Swedish corporate governance code it has not complied with, (ii) explains the reasons for each case of non-compliance and (iii) describes the solution it has adopted instead. The company must also have a section of its website devoted to corporate governance matters, where the company's 10 most recent corporate governance reports are to be posted, together with, among other things, the articles of association, information about upcoming shareholders' meetings and minutes from general meetings held during the past three years. Companies that publish a sustainability report must make available on their websites the ten most recent years' sustainability reports, along with the part of the auditor's report which covers the sustainability report or the auditor's written statement on the sustainability report.

The Corporation has to prepare, publish and submit to the Swedish Companies Registration Office a report over payments to certain public authorities not later than six months after the end of each financial year.

Shareholder remedies and special audit rights

British Columbia

The most common shareholder remedies under the BCBCA are the oppression remedy, derivative actions, dissent rights and court-appointed inspections.

Oppression Remedy

A shareholder may apply to the court for an order on the ground (a) that the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or (b) that some act of the company has been done or is threatened, or that some resolution of the shareholders has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant. In this case, a "shareholder" means (a) a registered or beneficial owner of a share of the company; and (b) any other person whom the court considers to be an appropriate person to make such an application.

In connection with such an application, the court may make any interim or final order it considers appropriate, subject to the conditions in the BCBCA, including an order (a) directing or prohibiting any act; (b) regulating the conduct of the company's affairs; (c) appointing a receiver or receiver manager; (d) directing an issue or conversion or exchange of shares; (e) appointing directors in place of or in addition to all or any of the directors then in office; (f) removing any director; (g) directing the company to purchase some or all of the shares of a shareholder and, if required, to reduce its capital in the manner specified by the court; (h) directing a shareholder to purchase some or all of the shares of any other shareholder; (i) directing the company or any other person to pay to a shareholder all or any part of the money paid by that shareholder for shares of the company; (j) varying or setting aside a transaction to which the company is a party and directing any party to the transaction to compensate any other party to the transaction; (k) varying or setting aside a resolution; (l) requiring the company, within a time specified by the court, to produce to the court or to an interested person financial

statements or an accounting in any form the court may determine; (m) directing the company to compensate an aggrieved person; (n) directing correction of the registers or other records of the company; (o) directing that the company be liquidated and dissolved, and appointing one or more liquidators, with or without security; (p) directing that an investigation be made under the BCBCA; (q) requiring the trial of any issue; or (r) authorizing or directing that legal proceedings be commenced in the name of the company against any person on the terms the court directs.

Derivative Actions

A “complainant”, which includes any individual described as a “shareholder” above as well as any director of the Corporation, may, with leave of the court, prosecute a legal proceeding in the name and on behalf of the Corporation to enforce a right, duty or obligation owed to the company or to obtain damages for any breach of such right, duty or obligation. With leave of the court, a complainant may also, in the name and on behalf of the Corporation, defend a legal proceeding brought against the Corporation. In connection with such an action brought or defended, the court may grant leave where reasonable efforts have been made, notice of the application for leave has been given to the company and to any other appropriate party, the complainant is acting in good faith and it appears to the court that it is in the best interests of the Corporation. In connection with such an action brought or defended, the court may make any order it considers appropriate, including an order that a person to whom costs are paid repay to the Corporation some or all of those costs; the Corporation or any other party to the proceeding indemnify the complainant or the person controlling the conduct of the legal proceeding; or the complainant indemnify one or more of the Corporation, a director of the Corporation and an officer of the Corporation for expenses, including legal costs, that they incurred as a result of the legal proceeding.

Dissent Rights

In certain circumstances, shareholders of a BCBCA company are entitled to dissent from some fundamental action undertaken by the company and demand to be paid fair value for their shares. Examples of these circumstances include amalgamations, resolutions to authorize or ratify the sale, lease or other disposition of all or substantially all of the company’s undertaking, continuation of the company into a jurisdiction other than British Columbia or a resolution to alter the articles of the company to add, change or remove any restriction on the business or businesses that the corporation may carry on. Procedures for dissenting are complex and failure to strictly comply with the procedures may result in the loss of all dissent rights. If the procedures are followed, the dissenter’s shares must then be purchased by the corporation at fair market value. In the event that the parties cannot agree on what constitutes fair market value, either the company or the dissenter can apply to court to determine the appropriate fair market value.

Inspections

One or more shareholders who, in the aggregate, hold at least one-fifth of the issued Common Shares may apply to the court to appoint an inspector to conduct an investigation of the Corporation and determine the manner and extent of the investigation. The court may make such an order if it appears to the court that there are reasonable grounds for believing that (a) the affairs of the company are being or have been conducted, or the powers of the directors are being or have been exercised, in a manner that is oppressive or unfairly prejudicial to one or more shareholders, including the applicant, (b) the business of the company is being or has been carried on with intent to defraud any person, (c) the Corporation was formed for a fraudulent or unlawful purpose or is to be dissolved for a fraudulent or unlawful purpose, or (d) persons concerned with the formation, business or affairs of the Corporation have, in connection with it, acted fraudulently or dishonestly. The powers of the inspector will be set out in the enabling court order, such powers including the power to examine under oath any person who is or was a director, receiver, receiver manager, officer, employee, banker, auditor or agent of the Corporation or any of its affiliates in relation to the affairs, management, accounts and records of or relating to the Corporation. In addition, a person so described must, on the request of an inspector so appointed, (a) produce, for the examination of the inspector, each accounting record and each other record relating to the Corporation or any of its affiliates that is in the custody or control of that person, and give to the inspector every assistance in connection with the investigation that that person is reasonably able to give.

Sweden

Special examination

Under the *Swedish Companies Act*, a shareholder may submit a proposal for an examination through a special examiner. The proposal shall be submitted to an annual general meeting, or to any general meeting for which the matter is included in the notice to attend the general meeting. The scope of the examination shall be defined in the proposal, and may relate to the company's management and accounts during a specific period of time in the past, or certain measures or circumstances within the company. If the proposal is supported by owners of at least one-tenth of all shares, or at least one-third of the shares represented at the general meeting, the Swedish Companies Registration Office shall appoint one or more examiners. The Swedish Companies Registration Office shall give the company's board of directors the opportunity to submit its comments prior to the appointment of a special examiner. The examiner shall submit a report regarding the examination, which shall be made available to the shareholders and presented at the general meeting. Persons who are no longer shareholders, but who were included in the voting register prepared for the general meeting at which the issue of the appointment of a special examiner was addressed, shall also have the right to read the report.

Minority shareholders' auditor

A shareholder may propose that a minority shareholders' auditor shall be appointed. The proposal shall be submitted to a general meeting at which the election of auditors is to take place, or at a general meeting where the proposal is included in the notice to attend the general meeting. The Swedish Companies Registration Office shall appoint such auditor upon the request of any shareholder, if the proposal is supported by at least one-tenth of all shares in the company, or at least one-third of the shares represented at the general meeting. The company's board of directors shall be afforded the opportunity to comment prior to the appointment of an auditor. The appointment shall relate to the period of time up to and including the next annual general meeting. The auditor shall participate in the audit together with the other auditors.

Corporation's obligation to disclose changes in its share capital

British Columbia

The Corporation is required to file a report with the TSX within 10 days at the end of each month in which any change to the number of outstanding or reserved listed securities has occurred (including a reduction in such number that results from a cancellation or redemption of securities).

Sweden

The Corporation is required, under Swedish law, to disclose any changes in the number of shares or votes. Such disclosure shall be made on the last trading day of the calendar month in which the increase or decrease of shares or votes occurred. Further, should the Corporation issue new shares, the Corporation has to give notice to Nasdaq Stockholm for admission of trading of such new shares.

Distribution of information to the Canadian and Swedish markets

The content and format of the disclosure obligations of Canadian reporting issuers is mandated under National Instrument 51-102 – *Continuous Disclosure Obligations* and other regulations under Canadian securities laws, as well as the regulations applicable to TSX-listed issuers. The Canadian Securities Administrators have implemented National Policy 51-201 – *Disclosure Standards* to provide guidance on best disclosure practices in order that everyone investing in securities will have equal access to information that may affect their investment decisions. Canadian securities legislation prohibits a reporting issuer from selective disclosure or informing any person or company in a special relationship with a reporting issuer, other than in the necessary course of business, of a material fact or a material change before that material information has been generally disclosed. Securities legislation also prohibits anyone in a special relationship with a reporting issuer from purchasing or selling securities of the reporting issuer with knowledge of a material fact or material change about the issuer that has not been generally disclosed.

The Corporation maintains a disclosure policy to ensure that communications to the investing public about the Corporation are timely, factual, accurate, complete, broadly disseminated and, where necessary, filed with regulators in accordance with applicable securities laws. The disclosure policy applies to all directors, officers and employees of the Corporation, including those individuals authorized to speak on behalf of the Corporation.

The Corporation will be subject to the rules on disclosure of the Nasdaq Rulebook for Issuers and MAR. The Corporation will be required to handle inside information in accordance with MAR and disclose inside information as soon as possible, but, if some conditions are met, the disclosure may be delayed. If the Corporation delays the disclosure of inside information, the Corporation must document when the inside information arose and when the decision to delay the disclosure was taken. The reasons for the delay must also be documented. When the inside information is later made public, the Corporation must inform the Swedish Financial Supervisory Authority (the “**SFSA**”) of the decision to delay the disclosure and, upon request by the SFSA, provide an explanation of the reasons for the delay.

Financial reports and press releases will be published on the Corporation’s website at www.international-petroleum.com and by its news distributors. Financial reports and press releases are also filed under the corporation’s profile on SEDAR at www.sedar.com. The information is and will be in English only.

Swedish insider reporting rules

In addition to any reporting requirements under applicable Canadian laws, persons discharging managerial responsibilities in a company whose shares are subject to trading on a regulated market (or for which a request for admission to trading on a regulated market has been made), and persons closely associated to such persons, are required to report their transactions of shares and other financial instruments to the SFSA as well as to the company. Such reporting shall be made in accordance with MAR. In addition, MAR stipulates a trading ban for persons discharging managerial responsibilities in such companies during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report.

Furthermore, a shareholder in the Corporation must notify the company and the SFSA of a change in a holding if the change involves the percentage of all shares in the Corporation or of the votes for all shares in the Corporation to which the holding corresponds, reaches or exceeds limits of 5%, 10%, 15%, 20%, 25%, 30%, 50%, 66 2/3% and 90%, or falls below any of these limits. Should such a company hold shares in itself, the company must notify the stock exchange in the event of it transferring its shares and also publish information thereof under certain circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents form part of the prospectus and are incorporated by reference:

- the audited combined carve-out from Lundin Petroleum financial statements for the Oil and Gas Assets for the financial years ended December 31, 2015 and 2016, together with the auditor’s report thereon, included in the Corporation’s company description for the listing on Nasdaq First North as Appendix “B” (pages B1 – B30);⁶
- the Corporation’s audited consolidated financial statements for the financial years ended December 31, 2017 and 2016, together with the auditor’s report thereon;⁷
- the Corporation’s year-end 2017 MD&A;⁸

⁶ www.international-petroleum.com/investors/corporate-filings-sedar/

⁷ <https://www.international-petroleum.com/investors/financial-statements/>

⁸ <https://www.international-petroleum.com/investors/financial-statements/>

- the Corporation's unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2018 (including prior period comparative information);⁹
- the Corporation's Q3 2018 MD&A;¹⁰
- BlackPearl's consolidated financial statements for the financial year ended December 31, 2015, together with the auditor's report thereon;¹¹
- BlackPearl's consolidated financial statements for the financial year ended December 31, 2016, together with the auditor's report thereon;¹²
- BlackPearl's consolidated financial statements for the financial year ended December 31, 2017, together with the auditor's report thereon;¹³
- BlackPearl's unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2018 (including prior period comparative information);¹⁴
- BlackPearl's year-end 2015 MD&A;¹⁵
- BlackPearl's year-end 2016 MD&A;¹⁶
- BlackPearl's year-end 2017 MD&A;¹⁷
- BlackPearl's Q3 2018 MD&A;¹⁸ and
- the Sections "General Development of Our Business" (pages 7-9), "Description of Our Business" (pages 9-19), "Statement of Reserves Data and Other Oil and Gas Information" (pages 48-63) and "Schedule "A" - Statement of Contingent Resources Data" (pages 70-83) of the annual information form of BlackPearl dated February 21, 2018 for the year ended December 31, 2017.¹⁹

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporation at 5, chemin de la Pallanterie, 1222 Vérenaz, Switzerland, and is also available electronically on the Corporation's website at www.international-petroleum.com and/or at www.sedar.com.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are also available for inspection by physical means at the Corporation's office (see "Addresses"):

- the Corporation's articles of incorporation and certificate of incorporation; and

⁹ <https://www.international-petroleum.com/investors/financial-statements/>

¹⁰ <https://www.international-petroleum.com/investors/financial-statements/>

¹¹ <http://www.blackpearlresources.ca/s/HistoricalFR.asp>

¹² <http://www.blackpearlresources.ca/s/HistoricalFR.asp>

¹³ <http://www.blackpearlresources.ca/s/HistoricalFR.asp>

¹⁴ <http://www.blackpearlresources.ca/s/HistoricalFR.asp>

¹⁵ <http://www.blackpearlresources.ca/s/HistoricalFR.asp>

¹⁶ <http://www.blackpearlresources.ca/s/HistoricalFR.asp>

¹⁷ <http://www.blackpearlresources.ca/s/HistoricalFR.asp>

¹⁸ <http://www.blackpearlresources.ca/s/HistoricalFR.asp>

¹⁹ <http://www.blackpearlresources.ca/s/HistoricalFR.asp>

- historical financial information for the Corporation's subsidiaries for the financial years 2015, 2016 and 2017.

GLOSSARY

In this prospectus, unless otherwise indicated or the context otherwise requires, the following terms shall have the meaning set forth below:

Selected Defined Terms

"2018 Plan" means the adopted Performance and Restricted Share Plan.

"Acquisition Proposal" means any inquiry or the making of any proposal or offer, whether or not in writing, to BlackPearl or the BlackPearl Shareholders from any Person or group of Persons "acting jointly or in concert" (within the meaning of NI 62-104) which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions):

- (a) any direct or indirect sale, issuance or acquisition of BlackPearl Shares or other securities (or securities convertible or exercisable for BlackPearl Shares or other securities) of BlackPearl or any Subsidiary of BlackPearl that, when taken together with the BlackPearl Shares and other securities of BlackPearl held by the proposed acquiror and any Person acting jointly or in concert with such acquiror, represent 20% or more of any class of equity or voting securities of BlackPearl or any Subsidiary of BlackPearl or rights or interests therein and thereto;
- (b) any direct or indirect acquisition of 20% or more of the assets (or any lease, joint venture, acquisition of a royalty interest, production, forward sale or prepayment, development agreement, long-term supply agreement or other arrangement having the same economic effect as a purchase or sale of 20% or more of the assets) of BlackPearl and its Subsidiaries, taken as a whole;
- (c) any amalgamation, arrangement, share exchange, merger, business combination, consolidation, recapitalization, liquidation, dissolution, winding-up, reorganization or other similar transaction involving BlackPearl or its Subsidiaries;
- (d) any take-over bid, issuer bid, exchange offer or other similar transaction involving BlackPearl or its Subsidiaries that, if consummated, would result in a Person or group of Persons acting jointly or in concert with such Person acquiring beneficial ownership of 20% or more of any class of equity or voting securities of BlackPearl or any Subsidiary of BlackPearl; or
- (e) any other similar transaction or series of transactions.

"affiliate" has the meaning set forth in the *Securities Act* (Alberta).

"ARC" means an advance ruling certificate issued by the Commissioner pursuant to Section 102 of the Competition Act in respect of the Arrangement.

"Arrangement" means the arrangement pursuant to Section 192 of the CBCA, on the terms and conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of the Plan of Arrangement, including as may be made at the direction of the Court.

"Arrangement Agreement" means the Arrangement Agreement dated October 9, 2018 between IPC and BlackPearl, as supplemented, modified or amended from time to time, a copy of which is attached as Appendix C to the Circular.

"Articles of Arrangement" means the articles of arrangement of BlackPearl in respect of the Arrangement required under subsection 192(6) of the CBCA to be sent to the Director after the Final Order has been granted, giving effect to the Arrangement.

"associate" has the meaning set forth in the *Securities Act* (Alberta).

"BCBCA" means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder.

"Beneficial Holders" has the meaning ascribed thereto in *"Information for Beneficial Holders"*.

"BlackPearl" means BlackPearl Resources Inc., a corporation incorporated under the CBCA.

"BlackPearl AIF" means the annual information of BlackPearl dated February 21, 2018 for the year ended December 31, 2017.

"BlackPearl Annual Financial Statements" means the audited consolidated financial statements of BlackPearl, together with the notes thereto and the auditors' report thereon, as at and for the year ended December 31, 2017.

"BlackPearl Annual MD&A" means management's discussion and analysis of BlackPearl dated February 21, 2018 for the year ended December 31, 2017.

"BlackPearl Arrangement Resolution" means the special resolution of the BlackPearl Securityholders in respect of the Arrangement to be considered by the BlackPearl Securityholders at the BlackPearl Securityholders' Meeting, in the form of Appendix B to the Circular.

"BlackPearl Board" means the board of directors of BlackPearl.

"BlackPearl Circular" means the management information circular of BlackPearl dated March 20, 2018 relating to the annual meeting of BlackPearl Shareholders held on May 3, 2018.

"BlackPearl Credit Facility" means the C\$120 million senior revolving credit facility of BlackPearl with a syndicate of financial institutions, which matures on May 26, 2019.

"BlackPearl Disclosure Letter" means the disclosure letter of BlackPearl dated October 9, 2018 and delivered by BlackPearl to IPC in connection with the Arrangement Agreement.

"BlackPearl Fairness Opinion" means the opinion from GMP FirstEnergy, the financial advisor to BlackPearl, that the consideration to be paid by IPC to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the BlackPearl Shareholders, a copy of which is attached as Appendix G to the Circular.

"BlackPearl Incentive Awards" means, collectively, the BlackPearl Options and the BlackPearl RSUs.

"BlackPearl Incentive Plans" means, collectively, the BlackPearl Option Plan and the BlackPearl RSU Plan, including any award agreements related to BlackPearl Incentive Awards granted thereunder.

"BlackPearl Interim Financial Statements" means the unaudited consolidated financial statements of BlackPearl, together with the notes thereto, as at and for the three and nine months ended September 30, 2018.

"BlackPearl Interim MD&A" means management's discussion and analysis of BlackPearl dated November 5, 2018 for the three and nine months ended September 30, 2018.

"BlackPearl Notes" means the C\$75 million aggregate principal amount of 8.00% senior secured notes of BlackPearl due June 30, 2020.

"BlackPearl Option In-the-Money Amount" means the amount equal to the amount by which the BlackPearl Share Market Price exceeds the exercise price of a BlackPearl Option.

"BlackPearl Option Plan" means the stock option plan of BlackPearl dated February 25, 2009 and amended and restated effective January 1, 2017.

"BlackPearl Optionholders" means the holders of BlackPearl Options.

"BlackPearl Options" means options to acquire BlackPearl Shares awarded pursuant to the BlackPearl Option Plan.

"BlackPearl Record Date" means November 9, 2018.

"BlackPearl Reserves Reports" means, collectively, the report prepared by Sproule dated January 18, 2018 evaluating the oil and gas reserves attributable to BlackPearl's properties as at December 31, 2017 and the contingent resource reports prepared by Sproule dated January 17, 2018 for the Blackrod, Onion Lake and Mooney properties of BlackPearl as at December 31, 2017.

"BlackPearl RSU Plan" means the restricted share unit plan of BlackPearl dated February 22, 2017.

"BlackPearl RSUs" means the restricted share units awarded pursuant to the BlackPearl RSU Plan.

"BlackPearl SDRs" means the Swedish depository receipts issued by BlackPearl through Pareto, representing BlackPearl Shares, registered with Euroclear and listed on Nasdaq.

"BlackPearl Securityholders" means, collectively, the BlackPearl Shareholders and the BlackPearl Optionholders.

"BlackPearl Securityholders' Meeting" means the meeting of the BlackPearl Securityholders, including any adjournment or postponement thereof, to be convened as provided by the Interim Order to consider and, if deemed advisable, approve the BlackPearl Arrangement Resolution.

"BlackPearl Share Market Price" means the volume weighted average trading price of the BlackPearl Shares on the TSX on the second trading day immediately prior to the Effective Date.

"BlackPearl Shareholders" means the holders of BlackPearl Shares.

"BlackPearl Shares" means the common shares in the capital of BlackPearl.

"BlackPearl Special Committee" means the committee of independent directors of BlackPearl formed to consider and evaluate the Arrangement, comprised of Brian Edgar, Joanne Hruska and Victor Luhowy.

"BlackPearl Support Agreements" means the voting and support agreements dated October 9, 2018 between IPC and each of the BlackPearl Supporting Securityholders, pursuant to which the BlackPearl Supporting Securityholders have agreed, among other things, to vote the BlackPearl Shares and BlackPearl Options beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the BlackPearl Arrangement Resolution and to otherwise support the Arrangement.

"BlackPearl Supporting Securityholders" means Lorito Holdings S.à.r.l., Zebra Holdings and Investments S.à.r.l., Burgundy Asset Management Ltd. and each of the directors and executive officers of BlackPearl.

"Board" means the board of directors of the Corporation.

"Brent crude" is a global market benchmark price for light sweet crude oil.

"Broadridge" means Broadridge Financial Solutions, Inc.

"Business Day" means any day, other than a Saturday, a Sunday, a statutory holiday any other day when banks in the Provinces of British Columbia or Alberta or in the cities of London, England or Paris, France are not generally open for business.

"Canadian Securities Administrators" means the securities commission or other securities regulatory authority of each province and territory of Canada.

"Canadian Securities Laws" means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Administrator made thereunder.

"CBCA" means the Canada Business Corporations Act, R.S.C. 1985, c. C-44, as amended, including the regulations promulgated thereunder, as amended.

"CDS" means CDS Clearing and Depository Services Inc.

"Cenovus" means Cenovus Energy Inc., the holder of the Suffield Assets prior to the completion of the Suffield Acquisition.

"CEO" means Chief Executive Officer.

"CDS" means CDS Clearing and Depository Services Inc.

"Certificate" means the certificate to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement giving effect to the Arrangement.

"CFO" means Chief Financial Officer.

"Circular" means the joint management information circular of IPC and BlackPearl dated November 9, 2018, together with all Appendices thereto, distributed to IPC Shareholders and BlackPearl Securityholders in connection with the IPC Shareholders' Meeting and BlackPearl Securityholders' Meeting and which is available under each of IPC's and BlackPearl's profiles on SEDAR (www.sedar.com).

"Class A Preferred Shares" means the Class A Preferred Shares.

"Class B Preferred Shares" means the Class B Preferred Shares.

"COGE Handbook" means the Canadian Oil and Gas Evaluation Handbook

"Commissioner" means the Commissioner of Competition appointed under subsection 7(1) of the Competition Act, or his designee.

"Common Shares" means common shares of the Corporation.

"Competition Act" means the *Competition Act*, R.S.C. 1985, c. C-34, as amended, including the regulations promulgated thereunder, as amended.

"Competition Act Approval" means, in respect of the Arrangement, the occurrence of one of the following:

- (a) the issuance to IPC of an advance ruling certificate by the Commissioner under subsection 102(1) of the Competition Act with respect to the transactions contemplated by the Arrangement Agreement; or
- (b) both of (i) the waiting period, including any extension thereof, under Section 123 of the Competition Act has expired or been terminated or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act has been waived in accordance with paragraph 113(c) of the Competition Act, and (ii) IPC has received

a letter from the Commissioner indicating that he does not, as of the date of such letter, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement.

"Confidentiality Agreement" means the confidentiality agreement dated December 31, 2017 between IPC and BlackPearl.

"Contribution and Transfer Agreements" means the contribution and transfer agreements between Lundin Petroleum, the Corporation and certain affiliates, pursuant to which the Oil and Gas Assets will be transferred to the Corporation.

"Corporate Governance Guidelines" means the series of guidelines for effective corporate governance set forth in National Policy 58-201 — *Corporate Governance Guidelines*.

"Corporation" or **"IPC"** means International Petroleum Corporation, and references to the "Corporation" or "IPC" include the IPC Subsidiaries where the context requires.

"Court" means the Court of Queen's Bench of Alberta.

"Credit Facilities" means the credit facilities entered into by the Corporation and certain of the IPC Subsidiaries, generally on the terms set out in this prospectus.

"Depositary" means Computershare Investor Services Inc.

"Director" means the Director duly appointed under Section 160 of the CBCA;

"Discontinued Operations" means the discontinued operations owned by the Corporation located in Indonesia, Tunisia, Cambodia and the Republic of Congo.

"Dissent Notice" means a written objection to the BlackPearl Arrangement Resolution provided by a Dissenting BlackPearl Shareholder.

"Dissent Rights" means the rights of Dissenting BlackPearl Shareholders to dissent to the BlackPearl Arrangement Resolution described in Article 5 of the Plan of Arrangement.

"Dissent Shares" means those BlackPearl Shares in respect of which Dissent Rights have been validly exercised by a Dissenting BlackPearl Shareholder.

"Dissenting BlackPearl Shareholder" means any registered BlackPearl Shareholder who has duly and validly exercised its Dissent Rights pursuant to Article 5 of the Plan of Arrangement and the Interim Order, and has not withdrawn, or been deemed to have withdrawn, such exercise of Dissent Rights as at the Effective Time.

"DRS Advice" has the meaning ascribed thereto in "*Procedure for Exchange of BlackPearl Share Certificates*".

"Effective Date" means the effective date of the Arrangement, being the date shown on the Certificate.

"Effective Time" means 12:01 a.m. (Calgary time) on the Effective Date or such other time on the Effective Date as may be agreed to in writing by IPC and BlackPearl.

"Eligible Holder" means an Eligible Resident Holder or an Eligible Non-Resident Holder.

"Eligible Non-Resident Holder" means a BlackPearl Shareholder (other than a Dissenting BlackPearl Shareholder) immediately prior to the Effective Time who is not, and is not deemed to be, a resident of Canada for purposes of the Tax Act and whose BlackPearl Shares are "taxable Canadian property" and not "treaty-protected property" (each as defined in the Tax Act).

"Eligible Resident Holder" means a BlackPearl Shareholder (other than a Dissenting BlackPearl Shareholder) immediately prior to the Effective Time who is a resident of Canada for purposes of the Tax Act (other than a Tax Exempt Person) or a partnership any member of which is a resident of Canada for the purposes of the Tax Act and not a Tax Exempt Person.

"Encumbrance" includes any mortgage, pledge, capital lease, assignment, charge, lien, security interest, adverse interest in property, debenture, claim, trust, royalty or other third party interest (whether by Law, contract or otherwise), security interest, conditional sales contract or other title retention agreement or similar interest or instrument to charge or create a security interest in or against title or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

"Environmental Laws" means, with respect to any Person or its business, activities, property, assets or undertaking, all Laws, including the common law, relating to environmental or health and safety matters in the jurisdictions applicable to such Person or its business, activities, property, assets or undertaking, including, without limitation, legislation governing the reduction of greenhouse gas emissions and the use, transportation, storage and release of Hazardous Substances.

"ERCE" means ERC Equipoise Limited, independent petroleum consultants.

"ERCE Report" means the reserves and resource report relating to the Oil and Gas Assets in France, Malaysia and the Netherlands, dated February 21, 2018, by ERCE.

"Euroclear Sweden" means Euroclear Sweden AB, the entity which keeps the CSD register in Sweden.

"Exchange Ratio" means 0.22 of an IPC Share for each BlackPearl Share.

"Exchanges" means the TSX and Nasdaq.

"Final Order" means the final order of the Court approving the Arrangement pursuant to subsection 192(4)(e) of the CBCA, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed.

"FPSO" means floating, production, storage and offloading.

"FPSO Bertam" means the FPSO used in the Bertam field, Malaysia.

"GMP FirstEnergy" means GMP Securities L.P.

"Governmental Entity" means any: (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body (including any securities commission or similar regulatory authority) exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the Exchanges, as applicable.

"Group" means IPC (as parent company) and its subsidiaries.

"Hazardous Substances" means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws.

"IAS" means the International Accounting Standards.

"IASB" means the International Accounting Standards Board.

"insider" has the meaning set forth in the Securities Act (Alberta).

"ISA" means the International Standards on Auditing.

"IFRS" means International Financial Reporting Standards, as incorporated in the Handbook of the Canadian Institute of Chartered Accountants, at the relevant time applied on a consistent basis.

"Initial Oil and Gas Assets" means the oil and gas exploration and production properties and related assets formerly of Lundin Petroleum located in Malaysia, France and the Netherlands.

"Interim Order" means the interim order of the Court dated November 9, 2018 under subsection 192(4) of the CBCA, as such order may be amended, containing declarations and directions in respect of the notice to be given and the conduct of the BlackPearl Securityholders' Meeting with respect to the Arrangement, a copy of which is attached as Appendix C to the Circular.

"Intermediary" means a broker, investment dealer, bank, trust company, depository or other intermediary.

"IPC" has the same meaning as the Corporation.

"IPC AIF" means the annual information of IPC dated March 30, 2018 for the year ended December 31, 2017.

"IPC Alberta" means IPC Alberta Ltd., a corporation incorporated under the *Business Corporations Act* (Alberta) and a wholly-owned Subsidiary of IPC.

"IPC Annual MD&A" means management's discussion and analysis of IPC for the year ended December 31, 2017.

"IPC BAR" means the business acquisition report of IPC dated April 5, 2018 regarding the acquisition of the Suffield area oil and gas assets in Alberta, Canada from Cenovus Energy Inc., together with the auditors' report therein.

"IPC Board" means the board of directors of IPC.

"IPC Circular" means the management information circular of IPC dated May 30, 2018 relating to the annual meeting of IPC Shareholders held on July 10, 2018.

"IPC Credit Facilities" means, collectively, the US\$200 million senior reserve-based revolving credit facility of IPC International with a syndicate of financial institutions, guaranteed by IPC, which matures on June 30, 2022, and the original C\$ 250 million senior reserve-based revolving credit facility of IPC Alberta, guaranteed by IPC, which matures on January 5, 2020.

"IPC Disclosure Letter" means the disclosure letter of IPC dated October 9, 2018 and delivered by IPC to BlackPearl in connection with the Arrangement Agreement.

"IPC Fairness Opinion" means the written fairness opinion of Paradigm Capital dated October 9, 2018, a copy of which is attached as Appendix F to the Circular.

"IPC Incentive Awards" means, collectively, the IPC Options, the IPC PSUs, the IPC RSUs, the IPC Transitional PSUs and the IPC Transitional RSUs.

"IPC Incentive Plans" means, collectively, the IPC Option Plan, the IPC Share Unit Plan and the IPC Transitional PSU and RSU Plan, including any award agreements related to IPC Incentive Awards granted thereunder.

"IPC Interim Financial Statements" means the unaudited consolidated financial statements of IPC, together with the notes thereto, as at and for the three and nine months ended September 30, 2018.

"IPC Interim MD&A" means management's discussion and analysis of IPC dated November 6, 2018 for the three and nine months ended September 30, 2018.

"IPC International" means International Petroleum B.V., a company incorporated under the Laws of the Netherlands and an indirect, wholly-owned Subsidiary of IPC.

"IPC Option Plan" means the stock option plan of IPC dated April 16, 2017 and amended on May 25, 2018.

"IPC Options" means options to acquire IPC Shares awarded pursuant to the IPC Option Plan.

"IPC PSUs" means the performance share units awarded pursuant to the IPC Share Unit Plan.

"IPC Record Date" means November 9, 2018.

"IPC Reserves Reports" means, collectively, the report prepared by ERCE dated February 21, 2018 evaluating the reserves, contingent resources and prospective resources attributable to IPC's oil and gas assets in France, Malaysia and the Netherlands as at December 31, 2017 and the report prepared by McDaniel dated February 22, 2018 evaluating the reserves and contingent resources attributable to IPC's oil and gas assets in Canada as at January 5, 2018, being the completion date for the acquisition of the Suffield area oil and gas assets in Alberta, Canada from Cenovus Energy Inc.

"IPC RSUs" means the restricted share units awarded pursuant to the IPC Share Unit Plan.

"IPC Share Issuance Resolution" means the ordinary resolution of the IPC Shareholders to authorize and approve the issuance by IPC of the IPC Shares to the BlackPearl Shareholders pursuant to the Arrangement and in accordance with the requirements of the Exchanges, as applicable, in the form of Appendix A to the Circular.

"IPC Share Unit Plan" means the performance and restricted share plan of IPC dated July 10, 2018.

"IPC Shareholders" means the holders of IPC Shares.

"IPC Shareholders' Meeting" means such meeting or meetings of the IPC Shareholders, including any adjournment or postponement thereof, that is or are to be convened to consider and, if deemed advisable, approve the IPC Share Issuance Resolution.

"IPC Shares" means the common shares in the capital of IPC.

"IPC Special Committee" means the committee of directors of IPC formed to consider and evaluate the Arrangement, comprised of Donald Charter, Daniella Dimitrov and Torstein Sanness.

"IPC Subsidiaries" means each of International Petroleum SA, International Petroleum Holding Corporation, International Petroleum Cooperatief U.A., Lundin Services Ltd., IPBV, IPC Services BV (formerly Lundin Services BV), Ikdam Production SA, Jet Arrow SA (now liquidated), IPC Ventures I BV (formerly Lundin Ventures XVII BV), IPC Ventures II BV (formerly Lundin Ventures XVIII BV), IPC Ventures III BV (formerly Lundin Ventures XIX BV), IPC Petroleum Holdings SA (formerly Lundin Holdings SA), IPC Petroleum France SA (formerly Lundin International SA), IPC Petroleum Gascogne SNC (formerly Lundin Gascogne SNC), IPC Netherlands BV (formerly Lundin Netherlands BV), IPC Netherlands Facilities BV (formerly Lundin Netherlands Facilities BV), Lundin Marine BV, Lundin Marine SARL (now liquidated), Lundin Tunisia BV, IPC SEA Holding BV (formerly Lundin SEA Holding BV), IPC Malaysia BV (formerly Lundin Malaysia BV), IPC Venturs IV BV (formerly Lundin Cambodia BV), Lundin Rangkas BV, Lundin Gurita BV, Lundin Baronang BV and Lundin Cakalang BV.

"IPC Support Agreements" means the voting and support agreements dated October 9, 2018 between BlackPearl and each of the IPC Supporting Shareholders, pursuant to which the IPC Supporting Shareholders have agreed to, among other things, vote the IPC Shares beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the IPC Share Issuance Resolution and to otherwise support the Arrangement;

"IPC Supporting Shareholders" means Nemesia S.à.r.l. and each of the directors and officers of IPC.

"IPC Transitional PSU and RSU Plan" means the transitional performance and restricted share plan of IPC dated April 16, 2017.

"IPC Transitional PSUs" means the performance share units awarded pursuant to the IPC Transitional PSU and RSU Plan.

"IPC Transitional RSUs" means the restricted share units awarded pursuant to the IPC Transitional PSU and RSU Plan.

"ISIN" means International Securities Identification Number.

"Laws" means all laws, by-laws, statutes, rules, regulations, principles of law, decisions, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority and the term **"applicable"** with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Persons or its business, activities, property, assets, undertaking or securities and emanate from a Person having jurisdiction over the Person or Persons or its or business, activities, property, assets, undertaking or securities; and "Laws" includes Environmental Laws and Securities Laws.

"Lenders' Approvals" means all consents, waivers and approvals as are required from (a) the lenders under the IPC Credit Facilities, (b) the lenders under the BlackPearl Credit Facility and (c) the holders of the BlackPearl Notes, in order to permit such credit facilities and notes to remain outstanding and in effect in accordance with their existing terms upon and following completion of the Arrangement, without resulting (whether immediately or as a result of lapse of time) in a default, premium, penalty, event of default, repayment or redemption obligation, requirement to effect a repurchase offer or other action, obligation or change in any material and adverse respect resulting from the Arrangement.

"Letter of Transmittal" means the letter of transmittal enclosed with the Circular to be used by registered BlackPearl Shareholders to surrender their certificate(s) or DRS Advice representing BlackPearl Shares to the Depositary in order to receive a certificate or DRS Advice for IPC Shares to be issued to them pursuant to the Arrangement.

"Lundin Petroleum" means Lundin Petroleum AB.

"Lundin Petroleum PSP" means the Lundin Petroleum Performance Share Plan.

"Lundin Petroleum Unit Bonus Plan" means the Lundin Petroleum unit bonus plan.

"MAR" means Regulation (EU) no 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

"Material Adverse Change" or **"Material Adverse Effect"** means, with respect to a Party, any fact or state of facts, circumstance, change, effect, occurrence or event which:

- (a) either individually is or in the aggregate are, or individually or in the aggregate could reasonably be expected to be, material and adverse to the business, operations, results of operations, properties, assets, liabilities (whether absolute, accrued, contingent or otherwise), capitalization or condition (financial or otherwise) of such Party and its Subsidiaries, taken as a whole, except to the extent of any fact or state of facts, circumstance, change, effect, occurrence or event resulting from or arising in connection with:
 - (i) in respect of IPC, any matter or prospective matter that has been expressly disclosed in the IPC Disclosure Letter, and, in respect of BlackPearl, any matter or prospective matter that has been expressly disclosed in the BlackPearl Disclosure Letter, in each case, only to the extent disclosed;

- (ii) the failure of such Party to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics before, on or after the date of the Arrangement Agreement (provided, however, that the facts or causes underlying such failure may be considered to determine whether such facts or causes, either alone or in combination, constitute a Material Adverse Change or Material Adverse Effect);
- (iii) conditions affecting the oil and gas exploration, exploitation, development and production industry (the "**Relevant Business**") generally in jurisdictions in which IPC or BlackPearl, as the case may be, carries on a material portion of its business, and not specifically relating to IPC or BlackPearl, as the case may be, including changes in royalties, Laws (including tax Laws) or any change in IFRS or regulatory accounting requirements applicable to the Relevant Business;
- (iv) any change in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in general economic, business, regulatory or market conditions or in national or global financial or capital markets or commodity markets (including any decline in crude oil, bitumen or natural gas prices on a current or forward basis);
- (v) any natural disaster;
- (vi) any changes in the trading price or trading volumes of the IPC Shares or BlackPearl Shares, as applicable (provided, however, that the facts or causes underlying such changes may be considered to determine whether such facts or causes, either alone or in combination, constitute a Material Adverse Change or Material Adverse Effect);
- (vii) any actions taken (or omitted to be taken) at the written request or with the prior written consent of the other Party hereto; or
- (viii) the announcement of the Arrangement Agreement or any action taken by a Party or any of its Subsidiaries that is required pursuant to the Arrangement Agreement (including any steps taken pursuant to Section 5.3 of the Arrangement Agreement to obtain any Regulatory Approvals, but excluding any obligation to act in the ordinary course of business);

provided, however, that (A) with respect to paragraphs (iii), (iv) and (v), such matter does not have a materially disproportionate effect on the Party and its Subsidiaries, taken as a whole, relative to comparable entities operating in the Relevant Business, in which case, the relevant exclusion from this definition of "Material Adverse Change" or "Material Adverse Effect" referred to in paragraphs (iii), (iv) and (v) above would not apply, and (B) references in certain Sections of Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a "Material Adverse Change" or a "Material Adverse Effect" has occurred;

- (b) either individually or in the aggregate prevents or materially delays, or individually or in the aggregate could reasonably be expected to prevent or materially delay, the completion of the Arrangement or the Party from performing its material obligations under the Arrangement Agreement in any material respect.

"McDaniel" means McDaniel & Associates Consultants Ltd.

"McDaniel Report" means the reserves and resource report relating to the Oil and Gas Assets in Canada, dated February 22, 2018, by McDaniel.

"MD&A" means management's discussion and analysis.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**MI 62-104**" means Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*, as amended from time to time.

"**Nasdaq First North**" means the multilateral trading facility Nasdaq First North operated by Nasdaq Stockholm AB.

"**Nasdaq Stockholm**" means the regulated market Nasdaq Stockholm operated by Nasdaq Stockholm AB.

"**NI 44-101**" means National Instrument 44-101 – *Short Form Prospectus Distributions*.

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as amended from time to time.

"**NI 62-104**" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.

"**Oil and Gas Assets**" means the oil and gas exploration and production properties and related assets formerly of Lundin Petroleum located in Malaysia, France and the Netherlands and the oil and gas exploration and production properties and related assets owned by IPC in Canada.

"**OPEC**" means the Organization of the Petroleum Exporting Countries.

"**Outside Date**" means February 28, 2019.

"**Paradigm Capital**" means Paradigm Capital Inc.

"**Pareto**" means Pareto securities AB.

"**Parties**" means IPC and BlackPearl, and "**Party**" means either one of them.

"**Person**" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity).

"**Plan of Arrangement**" means the plan of arrangement substantially in the form set forth in Schedule A to the Arrangement Agreement and any amendments or variations thereto made in accordance with Section 9.1 of the Arrangement Agreement or Article 6 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of IPC and BlackPearl, each acting reasonably.

"**Preferred Shares**" means preferred shares in the capital of the Corporation.

"**PSC**" means production sharing contract.

"**PSC Contractor**" means the party to a PSC.

"**PSU**" means performance share units under the 2018 Plan.

"**proxy holder**" means, in relation to voting rights under the BCBCA, someone appointed by a registered shareholder to vote his or her shares.

"**Redemption Amount**" means a redemption price or retraction price (as applicable) of C\$1.00 per share (as adjusted in accordance with the articles of the Corporation).

"Refinancing" means, as applicable, the refinancing of the IPC Credit Facilities, BlackPearl Credit Facilities or the BlackPearl Notes, to the extent that a Lenders' Approval has not been obtained in respect thereof, such that on or after the Effective Time IPC will utilize the net proceeds of such refinancing to repay, redeem or repurchase, as applicable, the IPC Credit Facilities, BlackPearl Credit Facilities and/or the BlackPearl Notes, as applicable.

"Registered BlackPearl Shareholder" means a Person whose name appears on the register of BlackPearl Shareholders as owner of BlackPearl Shares.

"Regulatory Approvals" means any consent, waiver, permit, permission, exemption, review, order, decision or approval of, or any registration and filing with or withdrawal of any objection or successful conclusion of any litigation brought by, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity or pursuant to a written agreement between the Parties and a Governmental Entity to refrain from consummating the Arrangement, in each case required or advisable under Laws in connection with the Arrangement, including the Competition Act Approval.

"Relevant Business" has the meaning set forth in the definitions of "Material Adverse Change" and "Material Adverse Effect" in this prospectus.

"Reorganization" means the internal reorganization of Lundin Petroleum pursuant to which, among other things, the Corporation became the direct or indirect owner of a number of the subsidiaries of Lundin Petroleum.

"Representatives" means the officers, directors, employees, financial advisors, legal counsel, accountants and other agents and representatives of a Party.

"RSU" means restricted share units under the 2018 Plan.

"SEC" means the United States Securities and Exchange Commission.

"Securities Laws" means, collectively, Canadian Securities Laws, Swedish Securities Laws and U.S. Securities Laws.

"SEDAR" means the System for Electronic Document Analysis and Retrieval.

"SEDI" means the System for Electronic Disclosure by Insiders of the Canadian Securities Administrators.

"SEK" means Swedish Krona.

"SFSA" means the Swedish Financial Supervisory Authority.

"Spin-Off" means the distribution of all of the Common Shares by Lundin Petroleum on a *pro rata* basis to all of its shareholders which was completed with a record date of April 24, 2017.

"Sproule" means Sproule Associates Limited.

"Stock Option Plan" means the Corporation's stock option plan.

"Subsidiary" has the meaning set forth in the *Securities Act* (Alberta).

"Suffield Acquisition" means the Corporation's acquisition of the Suffield Assets.

"Suffield Assets" or the **"Oil and Gas Assets in Canada"** means the acquired Suffield area oil and gas assets in southern Alberta, Canada.

"Superior Proposal" means an unsolicited written *bona fide* Acquisition Proposal to acquire not less than all of the outstanding BlackPearl Shares, or all or substantially all of the assets of BlackPearl and its Subsidiaries, taken as a whole:

- (a) that complies with applicable Laws and did not result from or involve a breach of Section 7.1 of the Arrangement Agreement;
- (b) that is not subject to a financing condition and in respect of which any funds or other consideration necessary to complete the Acquisition Proposal have been demonstrated, to the satisfaction of the BlackPearl Board, acting in good faith (after receiving advice from its financial advisor(s) and outside legal counsel), to have been obtained or are reasonably likely to be obtained to fund completion of the Acquisition Proposal at the time and on the basis set out therein;
- (c) that is not subject to any due diligence condition or access condition (provided that it is understood that a provision in a proposed definitive agreement that is identical to Section 5.6 of the Arrangement Agreement shall not constitute a condition with respect to access);
- (d) in respect of which the BlackPearl Board has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, would or would be reasonably likely to, if consummated in accordance with its terms and without assuming away the risk of non-completion, result in a transaction more favourable, from a financial point of view, for BlackPearl Shareholders to the transaction contemplated by the Arrangement Agreement (including after considering the proposal to adjust the terms and conditions of the Arrangement as contemplated in Section 7.1(c) of the Arrangement Agreement);
- (e) that the BlackPearl Board has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, is reasonably likely to be completed on the terms proposed without undue delay and taking into account all legal, financial, regulatory (including with respect to the Competition Act, to the extent applicable) and other aspects of such Acquisition Proposal and the Person or group of Persons making such proposal; and

after receiving the advice of outside legal counsel, that the failure by the BlackPearl Board to accept, recommend, approve or enter into a definitive agreement to implement, as applicable, such Acquisition Proposal would be inconsistent with its fiduciary duties under applicable Laws.

"Swedish Securities Laws" means the securities legislation, regulations, rules and listing requirements applicable in Sweden.

"Tax Act" means means the Income Tax Act, R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, as amended.

"Tax Exempt Person" means a Person who is exempt from tax under Part I of the Tax Act.

"Termination Fee" has the meaning ascribed thereto in "*The Arrangement Agreement – Termination Fee Payable by BlackPearl*".

"Termination Fee Event" has the meaning ascribed thereto in "*The Arrangement Agreement – Termination Fee Payable by BlackPearl*".

"TSX" means the Toronto Stock Exchange.

"TTF" means the Title Transfer Facility.

"US" means the United States of America.

"U.S. Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"U.S. Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"U.S. Securities Laws" means federal and state securities legislation of the United States or any state of the United States, and all rules, regulations and orders promulgated thereunder.

Selected Defined Oil and Gas Terms

"AECO" means the daily average benchmark price for natural gas at the AECO hub in southeast Alberta.

"API" means the American Petroleum Institute.

"API gravity" or **"API"** means the American Petroleum Institute gravity expressed in degrees in relation to liquids, which is a measure of how heavy or light a petroleum liquid is compared to water. If a petroleum liquid's API gravity is greater than 10, it is lighter and floats on water; if less than 10, it is heavier than water and sinks. API gravity is thus a measure of the relative density of a petroleum liquid and the density of water, but it is used to compare the relative densities of petroleum liquids.

"Best Estimate" means the best estimate of the quantity of resources that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. Those resources that fall within the best estimate have a 50% confidence level that the actual quantities recovered will equal or exceed the estimate.

"COGE Handbook" means the Canadian Oil Evaluation Handbook prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum.

"Cumulative Production" means the cumulative quantity of petroleum that has been recovered at a given date.

"developed non-producing reserves" are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

"developed producing reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"developed reserves" are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

"development costs" means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, pumping equipment and wellhead assembly;

- (b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and wellhead assembly;
- (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems.

“Discovered Petroleum Initially-In-Place” or **“DPIIP”** means that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially-in-place includes production, reserves, and contingent resources; the remainder is categorized as unrecoverable.

“Empress” means the benchmark price for natural gas at the Empress point at the Alberta/Saskatchewan border.

“exploration costs” means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

- (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies;
- (b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records;
- (c) dry hole contributions and bottom hole contributions;
- (d) costs of drilling and equipping exploratory wells; and
- (e) costs of drilling exploratory type stratigraphic test wells.

“gross” means:

- (a) in relation to an entity's interest in production and reserves, its “company gross reserves”, which are such entity's working interest (operating and non-operating) before deduction of royalties and without including any royalty interest of such entity;
- (b) in relation to wells, the total number of wells in which an entity has an interest; and
- (c) in relation to properties, the total area of properties in which an entity has an interest.

“natural gas liquids” or **“NGLs”** means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons.

“net” means:

- (a) in relation to an entity's interest in production and reserves, such entity's interest (operating and non-operating) after deduction of royalties obligations, plus the entity's royalty interest in production or reserves;

- (b) in relation to wells, the number of wells obtained by aggregating an entity's working interest in each of its gross wells; and
- (c) in relation to the Corporation's interest in a property, the total area in which an entity has an interest multiplied by the working interest owned by it.

"Netback" means all revenues derived from bringing one unit of oil to the marketplaces less all costs associated therewith and has been calculated by subtracting royalties and "operating costs" (as defined in the COGE Handbook).

"NI 51-101" means National Instrument 51-101 – *Standards of Disclosure for Oil Activities*.

"51-101CP" means Companion Policy 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

"PDP Reserves" means proved developed producing reserves.

"Probable Reserves" are those additional reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated 2P Reserves.

"Proved Reserves" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved Reserves.

"Reserve Life Index" or **"RLI"** is calculated by dividing year-end reserves by annual production.

"Reserves" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: (i) analysis of drilling, geological, geophysical and engineering data; (ii) the use of established technology; and (iii) specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates.

"resource play" refers to drilling programmes targeted at regionally distributed crude oil or natural gas accumulations; successful exploitation of these reservoirs is dependent upon technologies such as horizontal drilling and multi-stage fracture stimulation to access large rock volumes in order to produce economic quantities of oil or natural gas.

"Total Petroleum Initially-in-Place" means that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered.

"undeveloped reserves" are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned.

"Unrecoverable Discovered Petroleum Initially-In-Place" or **"Unrecoverable DPIIP"** is that portion of DPIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

"Working Interest" or **"WI"** means the Corporation's total working interest share before deduction of royalties and including any royalty interests.

"2P Reserves" means Proved plus Probable Reserves.

"3P Reserves" means Proved plus Probable plus Possible Reserves.

ADDRESSES

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The Corporation's independent qualified reserves and resource evaluator (for the Initial Oil and Gas Assets)	ERC Equipoise Ltd. 6th Floor Stephenson House 2 Cherry Orchard Road London, Croydon CR0 6BA United Kingdom
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Appendix 1



November 6, 2018

To the Audit Committee of International Petroleum Corporation

In accordance with our engagement letter dated October 22, 2018, we have reviewed the interim condensed consolidated financial statements (interim financial statements) of International Petroleum Corporation consisting of:

- The condensed consolidated balance sheet as at September 30, 2018 and December 31, 2017;
- the condensed consolidated statement of operations for the three and nine-month periods ended September 30, 2018 and September 30, 2017;
- the condensed consolidated statement of comprehensive income for the three and nine-month periods ended September 30, 2018 and September 30, 2017;
- the condensed consolidated statement of cash flow for the three and nine-month periods ended September 30, 2018 and September 30, 2017;
- the condensed consolidated statements of changes in equity for the nine-month periods ended September 30, 2018 and September 30, 2017; and
- the related notes, including a summary of significant accounting policies and other explanatory information.

These interim financial statements are the responsibility of the company's management.

We performed our interim review in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor.

An interim review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our interim review, we are not aware of any material modification that needs to be made for these interim financial statements to be in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including International Accounting Standard 34.

We have previously audited, in accordance with Canadian generally accepted auditing standards, the consolidated balance sheet of the company as at December 31, 2017 and the related consolidated statements of operations, other comprehensive income, cash flow, and changes in equity for the year then ended (not presented herein) and related notes. In our report dated February 26, 2018, we expressed an unmodified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as at December 31, 2017 is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

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This report is solely for the use of the Audit Committee of International Petroleum Corporation to assist it in discharging its regulatory obligation to review the condensed consolidated interim financial statements, and should not be used for any other purpose. Any use that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

PricewaterhouseCoopers AG

Stephen Johnson

Colin Johnson

Enclosure:

- Interim Condensed Consolidated Financial Statements