



Q3  
22

# Operations & Financial Update Third Quarter 2022

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*November 1, 2022*

# International Petroleum Corp.

## Q3 2022 Highlights

### Production Guidance <sup>(1)</sup>

- Record quarter average production of **50,000** boepd; above high end guidance
- Expect full year average production above **48,000** boepd

### Operating costs <sup>(2)</sup>

- Q3 below guidance at **15.7** USD/boe with the strong operational performance
- Full year forecast maintained at **16–17** USD/boe

### Organic Growth <sup>(3)</sup>

- 2022 capital expenditure maintained at **170** MUSD

### Cash Flow <sup>(2)</sup>

- Q3 Operating Cash Flow (OCF) of **172** MUSD
- Q3 Free Cash Flow (FCF) of **117** MUSD; **9%** FCF yield
- Full year 2022 FCF forecast tightened to **425–460** MUSD (Brent 85–100 USD/bbl) <sup>(4)</sup>

### Liquidity <sup>(2)</sup>

- **Net cash** position of **89** MUSD at 30 September (net of 169 MUSD SIB & NCIB share repurchases) <sup>(5)</sup>

### Hedging

- **60%** Canadian oil WCS - WTI differential @ 13 USD/bbl in Q4 2022
- **50%** Canadian oil WCS - ARV differential @ 10 USD/bbl in 2023
- **No** Brent, WTI or gas hedges
- **FX hedges** in 2023, buy MCAD 15 at 1.36 and MEUR 3 at 1.00 per month (sell USD)

### ESG

- **No** material safety incidents
- Third annual **sustainability report** release in August
- **On track** to achieve **50%** net emission reduction target by 2025

### Share Repurchase

- SIB completed - **100** MUSD; **8.3** million shares cancelled
- NCIB well-progressed - **9.3** million shares repurchased and cancelled

<sup>(1)</sup> See Reader Advisory, including “Supplemental Information regarding Product Types”.

<sup>(2)</sup> See Reader Advisory and Management Discussion and Analysis for the three and nine months ended September 30, 2022 (MD&A), including “Non-IFRS Measures”

<sup>(3)</sup> Capital expenditure includes decommissioning expenditure.

<sup>(4)</sup> Forecast includes deduction for estimated 12 MUSD windfall tax in France

<sup>(5)</sup> Including costs of the share repurchase programs

# International Petroleum Corp. 2022 Production

- **Q3 2022 average production of 50,000 boepd<sup>(1)</sup>**

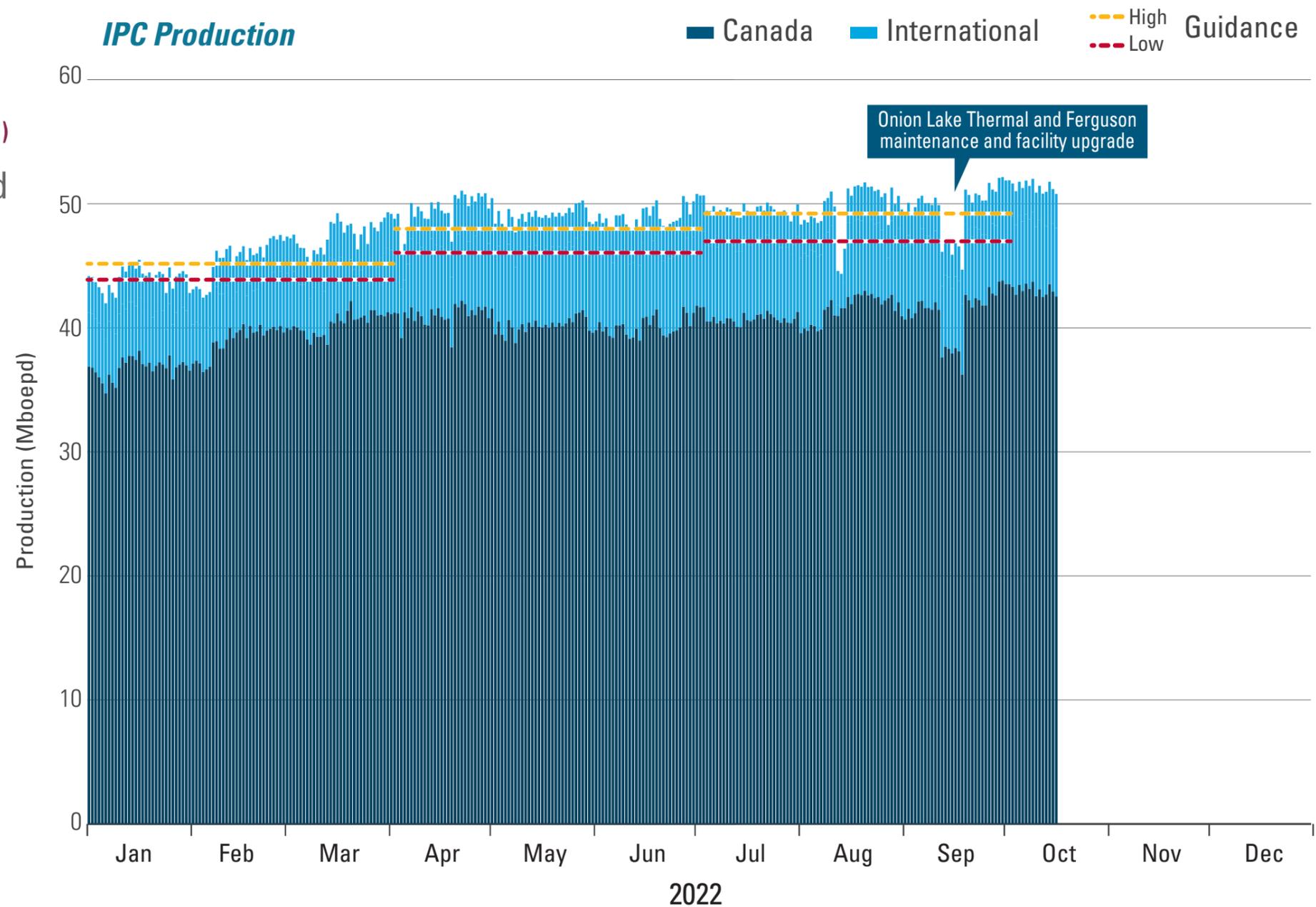
- Second consecutive quarterly production record
- High production uptimes and benefit of recent development activity

- **Canada**

- Strong production performance across all assets
- Production record at Ferguson<sup>(2)</sup> and Union Lake Thermal<sup>(3)</sup>

- **International**

- Strong operational performance continues in France and Malaysia



<sup>(1)</sup> See Reader Advisory, including "Supplementary Information regarding Product Types"

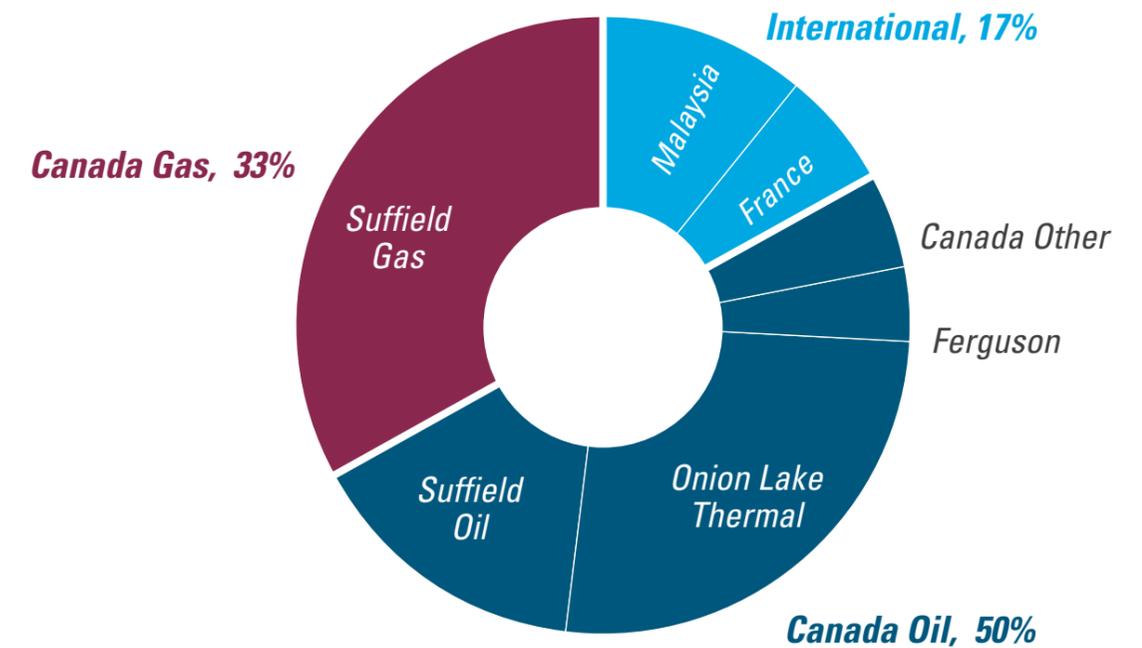
<sup>(2)</sup> Production achieved 3,000 boepd spot rate for the first time under IPC operatorship

<sup>(3)</sup> Production achieved 14,600 boepd spot rate for the first time

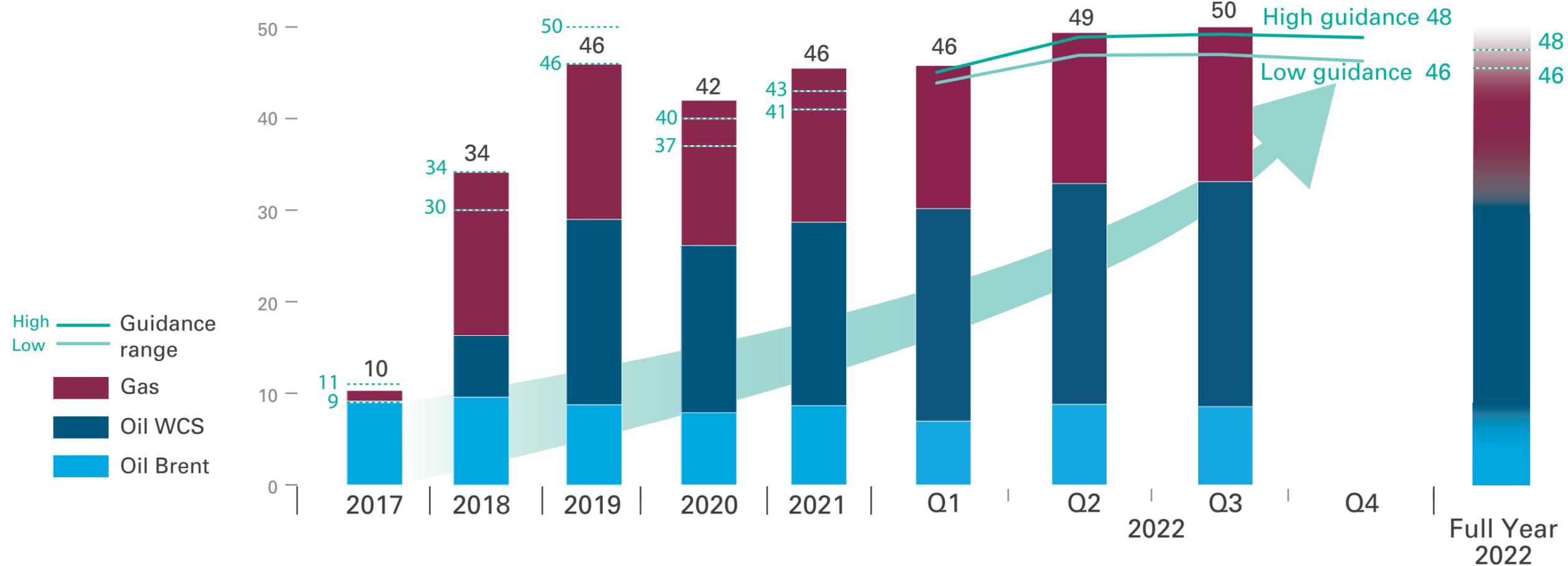
# International Petroleum Corp. Production Guidance <sup>(1)</sup>

- 2 quarters in succession achieving record average production
- First nine months production 48,400 boepd
- 2022 average net production expected to be >48,000 boepd

## 2022 Production Guidance

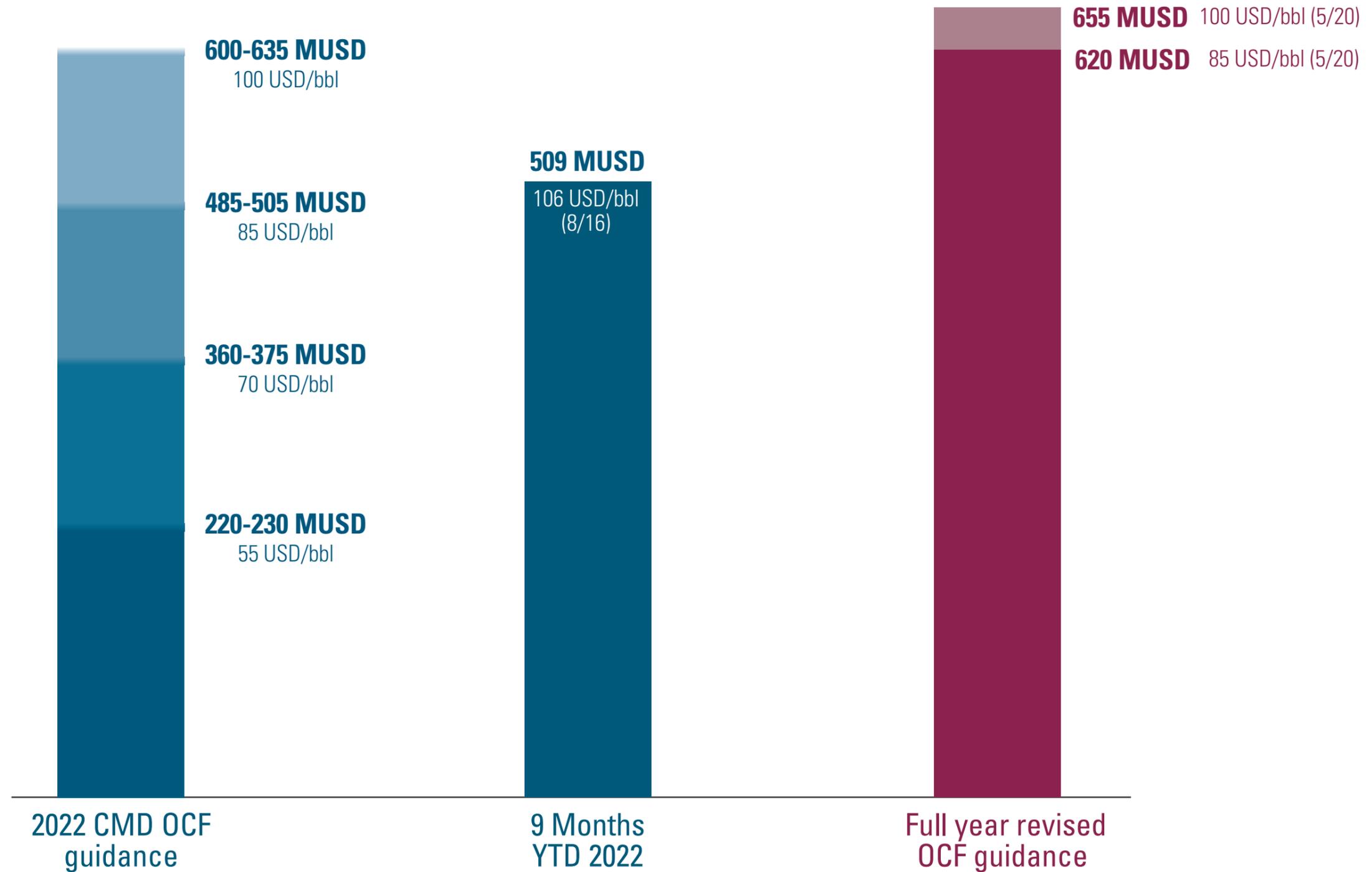


## Production (Mboepd)



<sup>1)</sup> See Reader Advisory, including "Supplemental Information regarding Product Types".

# International Petroleum Corp. 2022 Operating Cash Flow<sup>(1)</sup>



<sup>(1)</sup> See Reader Advisory and MD&A, including "Non-IFRS Measures." Brent oil price assumptions, with Brent to WTI differential and WTI to WCS differential assumptions in brackets, in USD/bbl.

# International Petroleum Corp. 2022 Capital Expenditure <sup>(1)</sup>

## Canada 116 MUSD

- Onion Lake Thermal
- Ferguson development
- Conventional oil drilling
- Blackrod FEED
- Optimisation projects
- Suffield gas recompletes

## France 23 MUSD

- Villeperdue West development (accelerated)
- Aquitaine well optimisations

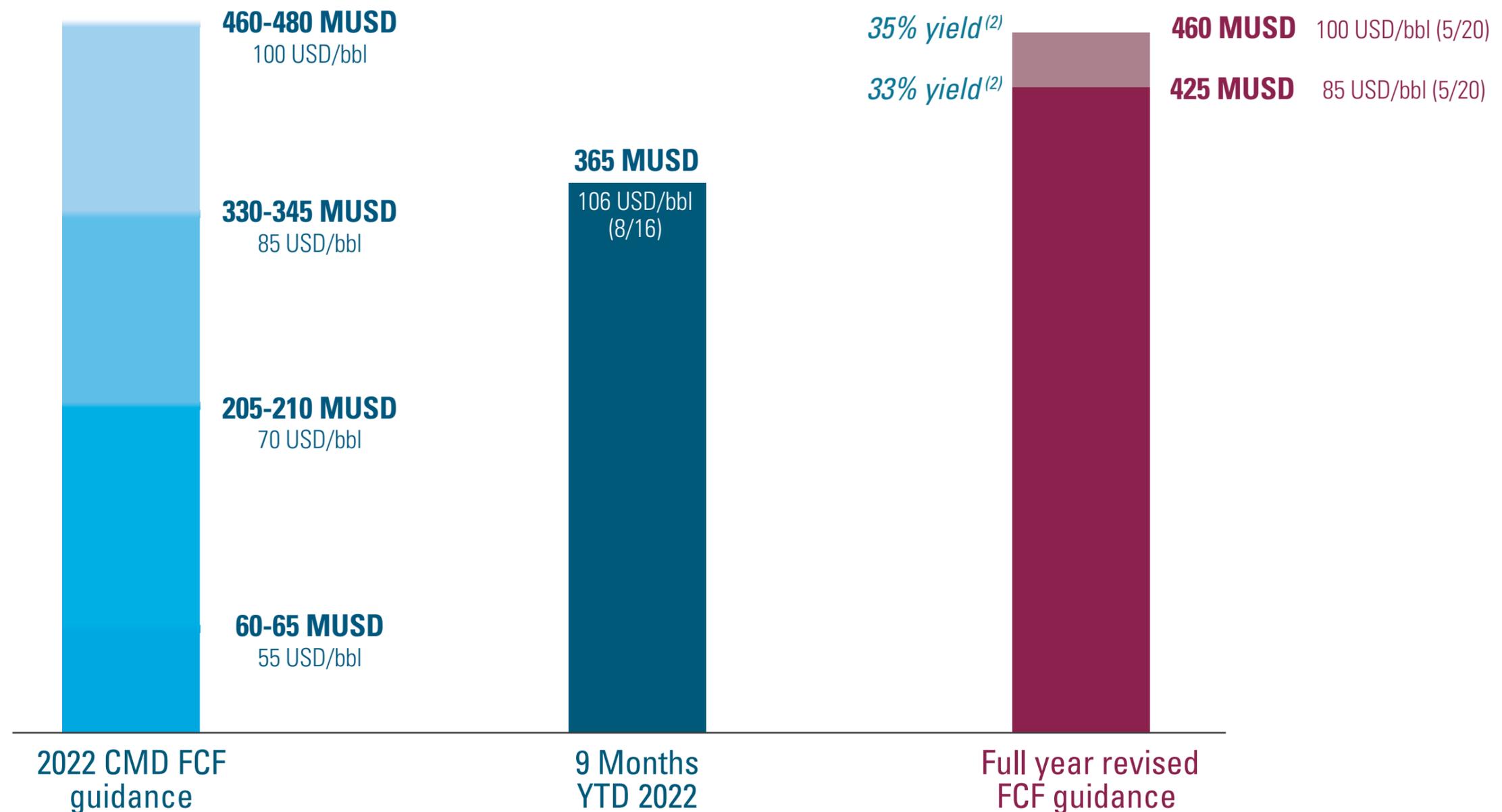
## Malaysia 31 MUSD

- A15ST drilling
- ESP upgrades

**Capital expenditure budget maintained at 170 MUSD**

<sup>1)</sup> Including forecast decommissioning expenditure of 6 MUSD.

# International Petroleum Corp. 2022 Free Cash Flow<sup>(1)</sup>



<sup>(1)</sup> See Reader Advisory and MD&A, including "Non-IFRS Measures." Brent oil price assumptions, with Brent to WTI differential and WTI to WCS differential assumptions in brackets, in USD/bbl.

<sup>(2)</sup> FCF yield is based on IPC market capitalisation at close October 28, 2022 (104.1 SEK/share, 11.0 SEK/USD, USD 1,307 million).

# International Petroleum Corp. Share Repurchase

## ■ Normal Course Issuer Bid (NCIB)

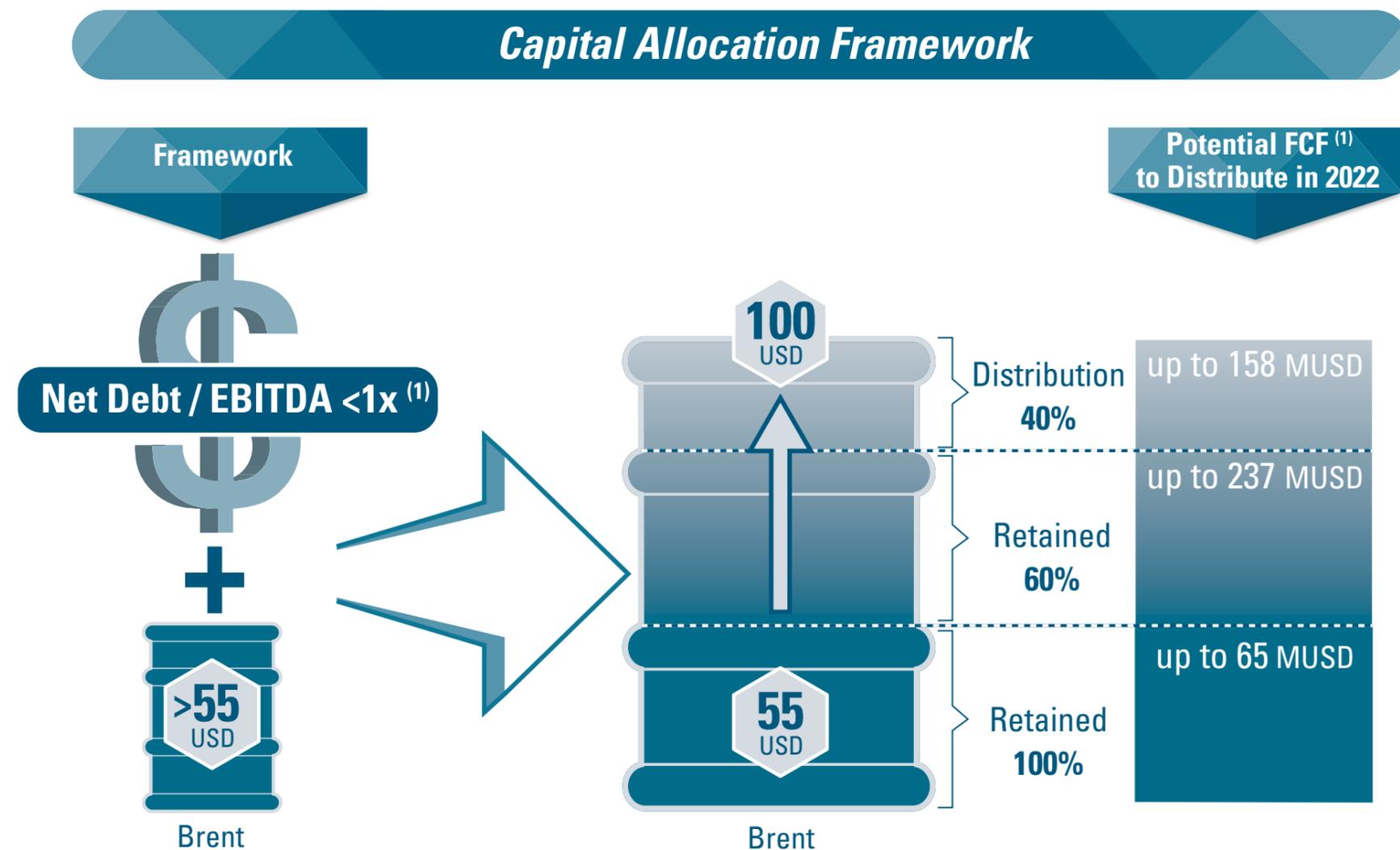
- Restarted NCIB immediately on completion of SIB
- 9.3 million shares bought back and cancelled to end October
- Cost of 76 MUSD at 82 SEK/share

## ■ Successful Substantial Issuer Bid (SIB)

- Completed early July
- 100 MUSD Dutch auction at purchase price of 15.5 CAD/share
- Cancelled 8.3 million shares

## ■ Delivering on capital allocation framework

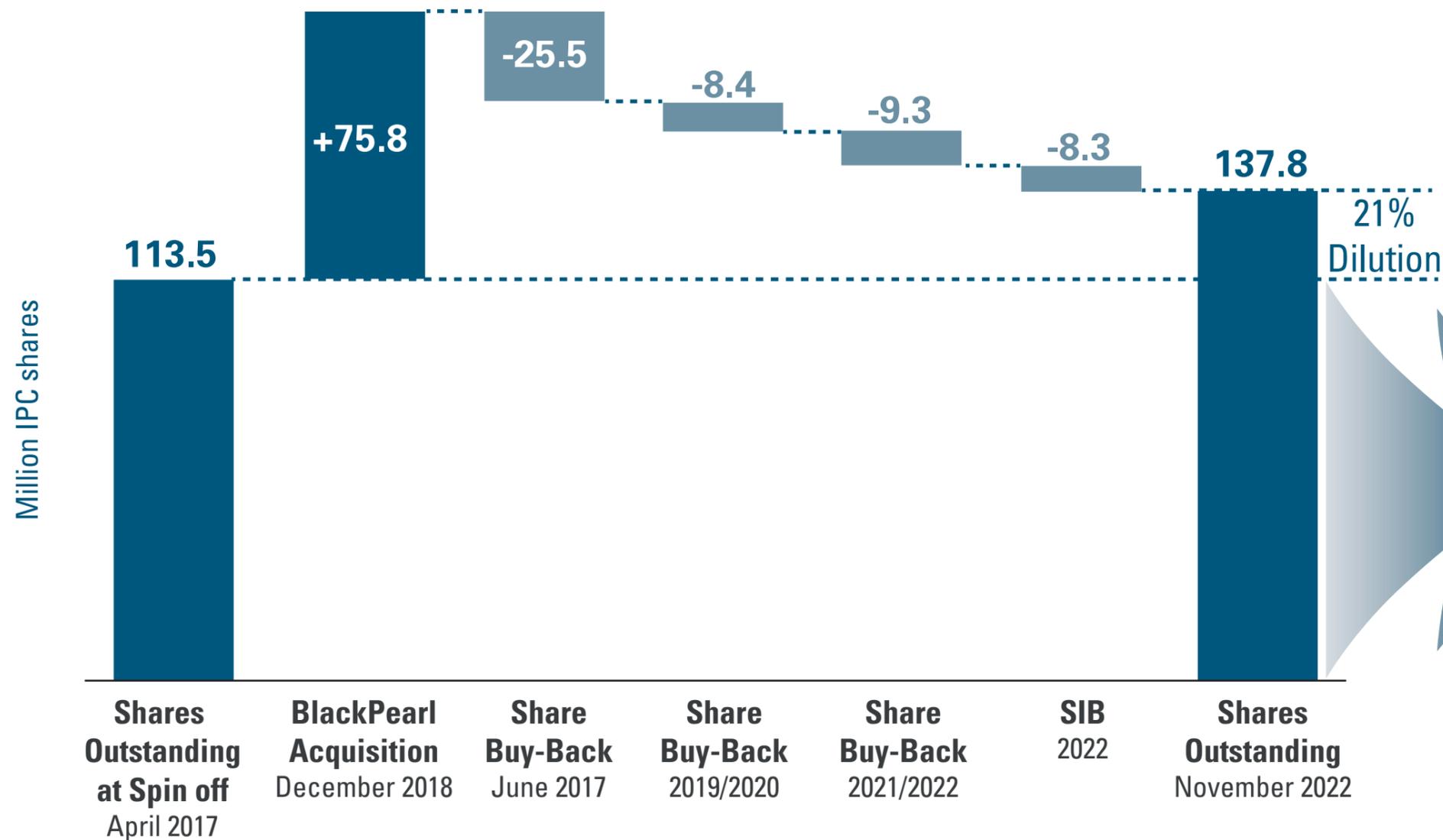
- Approximately 176 MUSD returned to shareholders to the end of October 2022
- 11% of shares outstanding cancelled



<sup>1)</sup> See Reader Advisory and MD&A, including "Non-IFRS Measures."

# International Petroleum Corp. Share Repurchase

■ 51.4 million IPC shares repurchased at average SEK 56 per share



~5x production<sup>(1)</sup>

>9x 2P reserves<sup>(1)</sup>

+8 years added to reserves life<sup>(1)</sup>

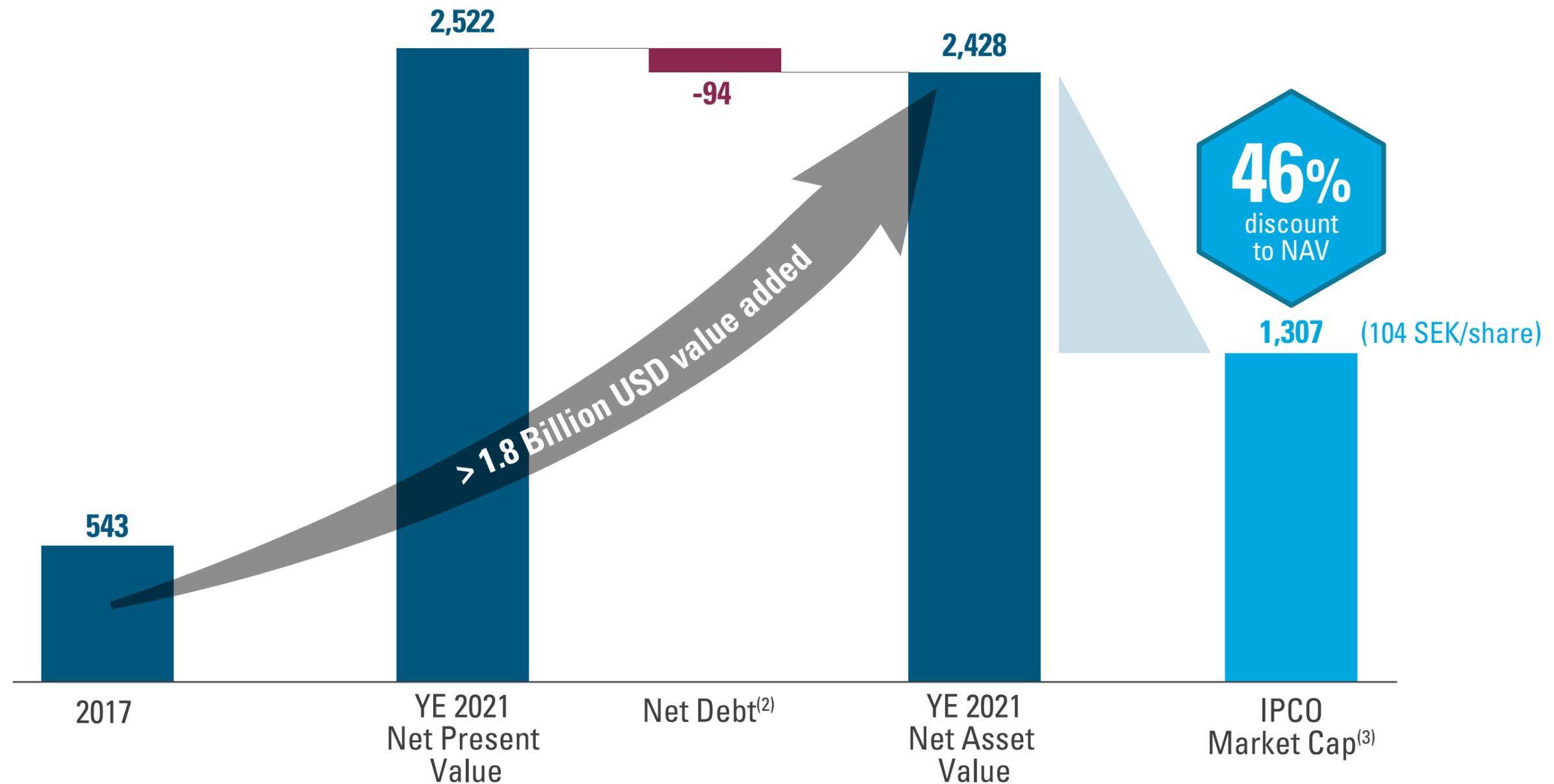
>1.4 billion boe (CR)<sup>(1)</sup>

>4x OCF<sup>(1)</sup>

Added >1,800 MUSD NAV<sup>(1)</sup>

1) See Reader Advisory, MD&A and the AIF, including "Disclosure of Oil and Gas Information" and "Non-IFRS Measures".

# International Petroleum Corp. Net Asset Value (MUSD)<sup>(1)</sup>



<sup>1)</sup> As at December 31, 2021. See Reader Advisory, MD&A and AIF, including "Disclosure of Oil and Gas Information". NPV is after tax, discounted at 8% and based upon the forecast prices and other assumptions further described in the AIF. NAV is calculated as NPV less net debt of USD 94 million as at December 31, 2021.

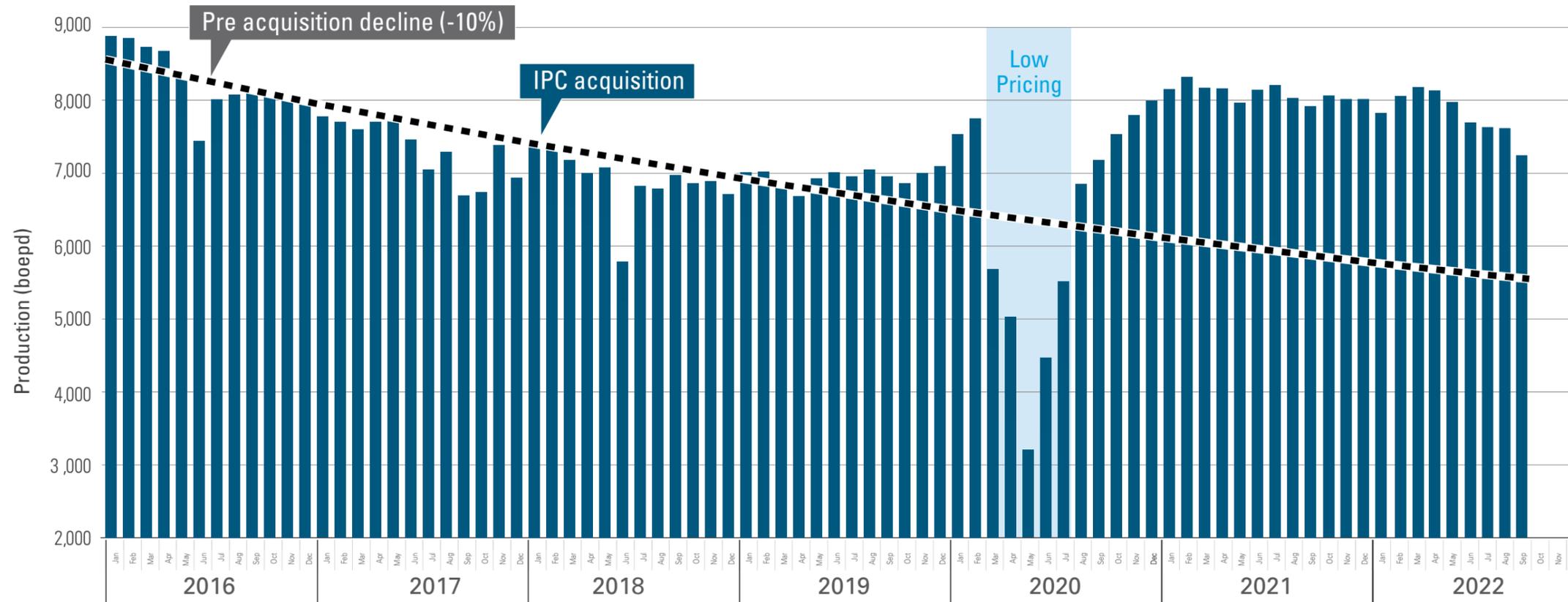
<sup>2)</sup> See Reader Advisory and MD&A, including Non-IFRS Measures. <sup>3)</sup> Based on IPC share price on October 28, 2022 (104.1 SEK/share, 11.0 SEK/USD, USD 1,307 million).

# IPC Canada Suffield Oil <sup>(1)</sup>



- **Stable production performance in Q3**
  - Historic declines offset through development and optimisation
- **2022 development drilling activity ongoing**
  - 2 production and 2 ASP injection wells drilled as part of N2N EOR development expansion
  - 2 conventional oil and 2 water disposal wells planned in Q4

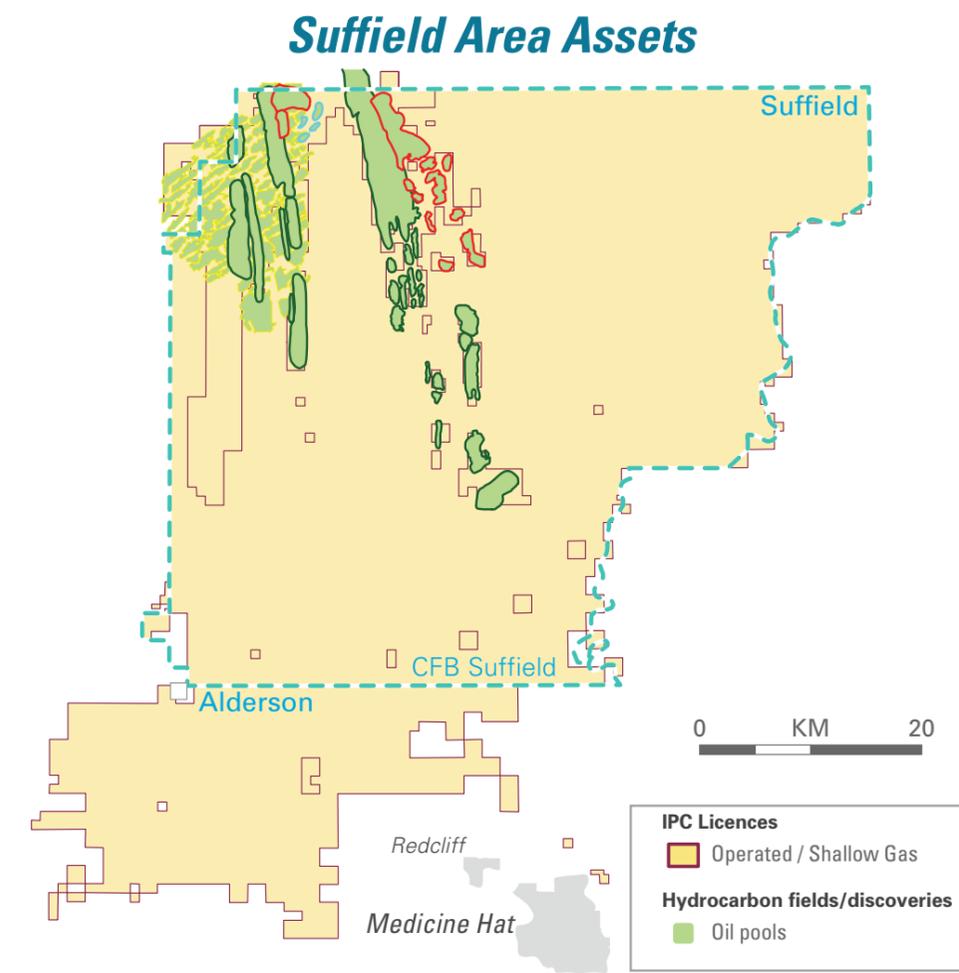
**Suffield Oil Production**



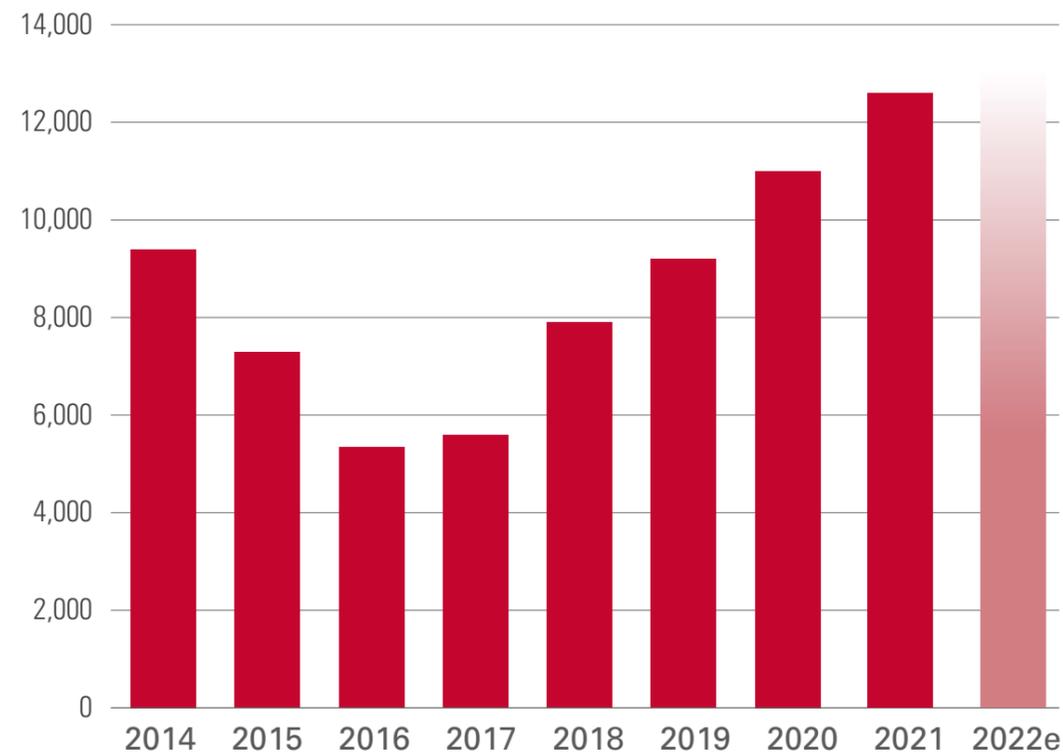
<sup>(1)</sup> See Reader Advisory.

# IPC Canada Suffield Gas <sup>(1)</sup>

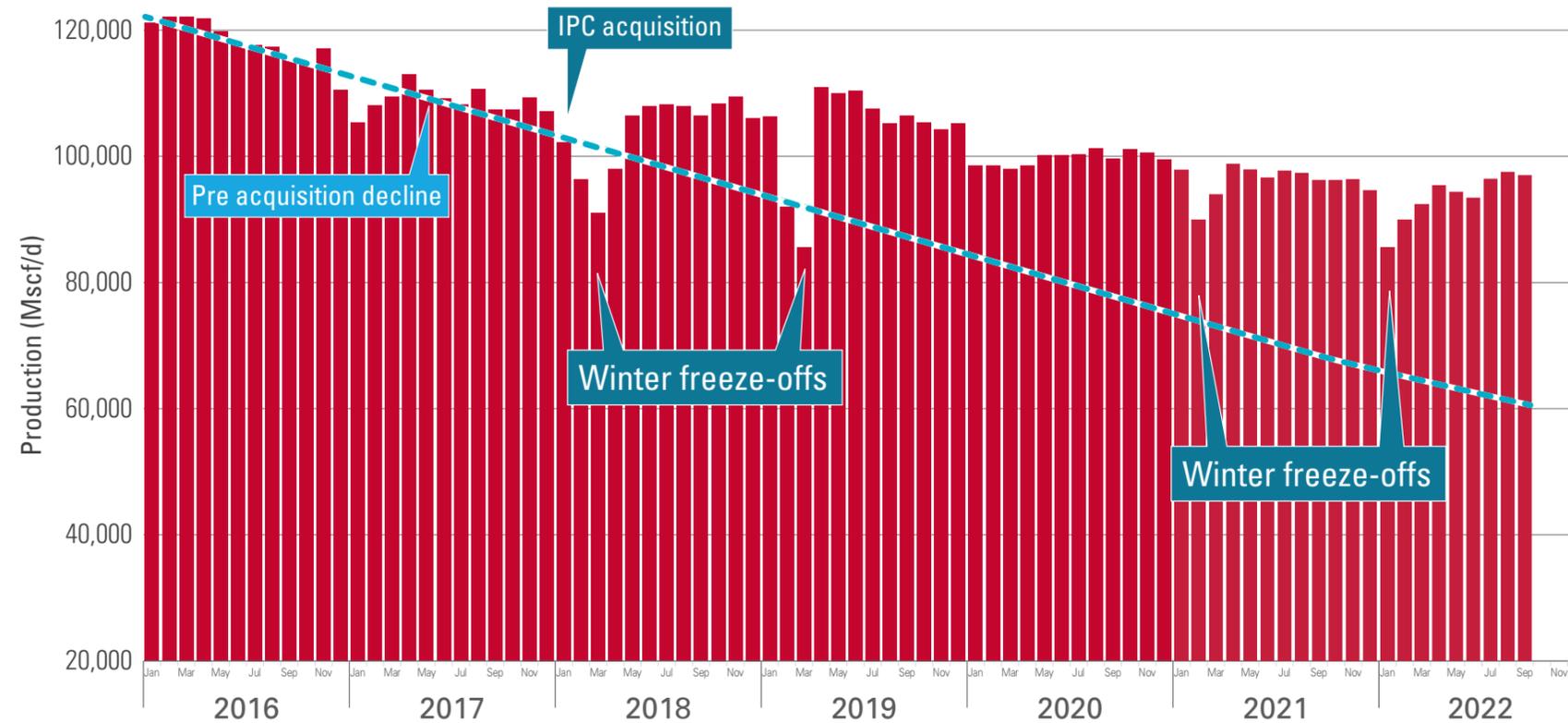
- Strong Canadian gas prices realised for IPC in Q3
- Offsetting natural declines with low cost optimisation activity
- Increased capital expenditure includes 127 gas well recompletes



**Gas Swabs per Annum**



**Suffield Gas Production**

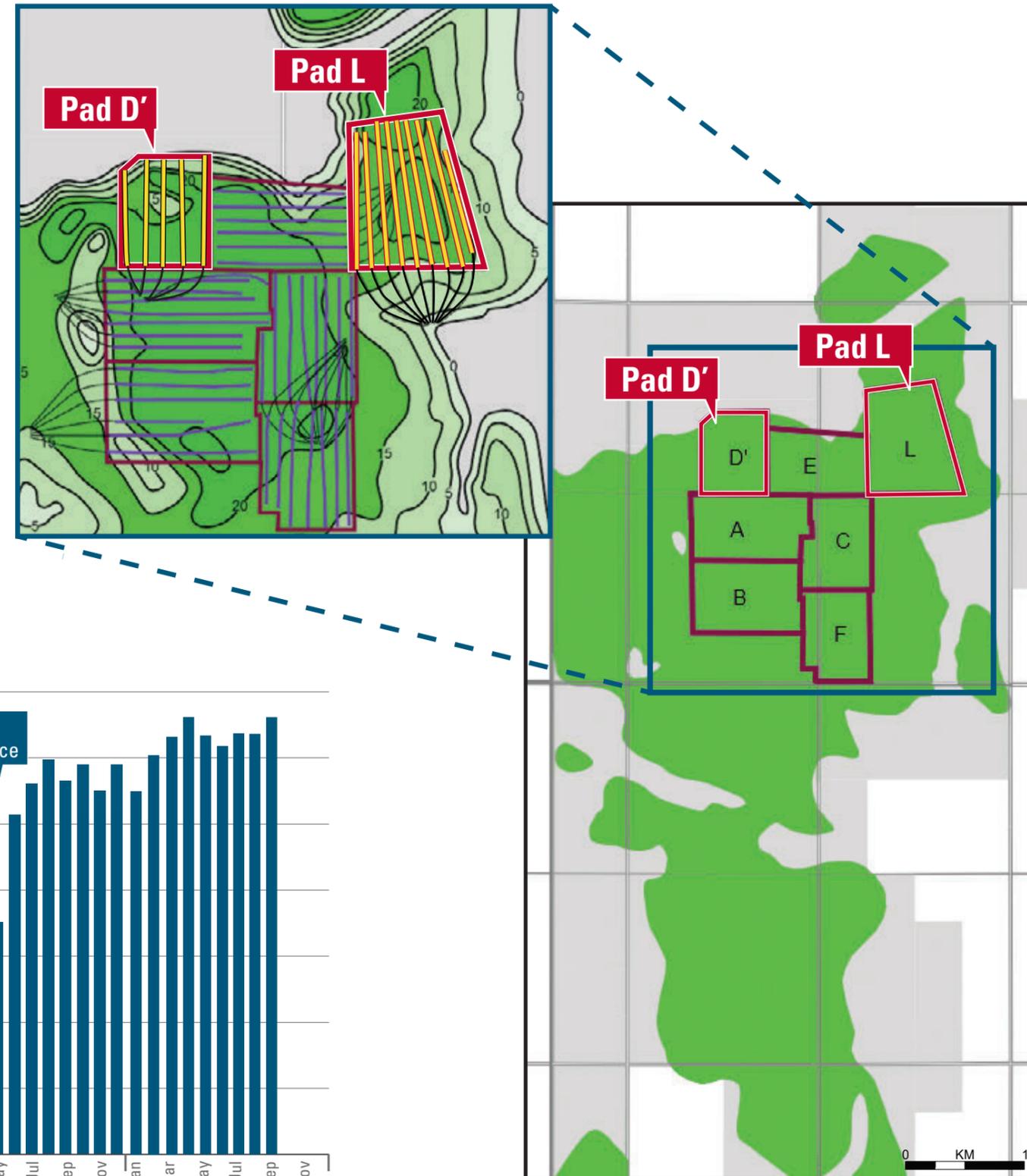


<sup>(1)</sup> See Reader Advisory.

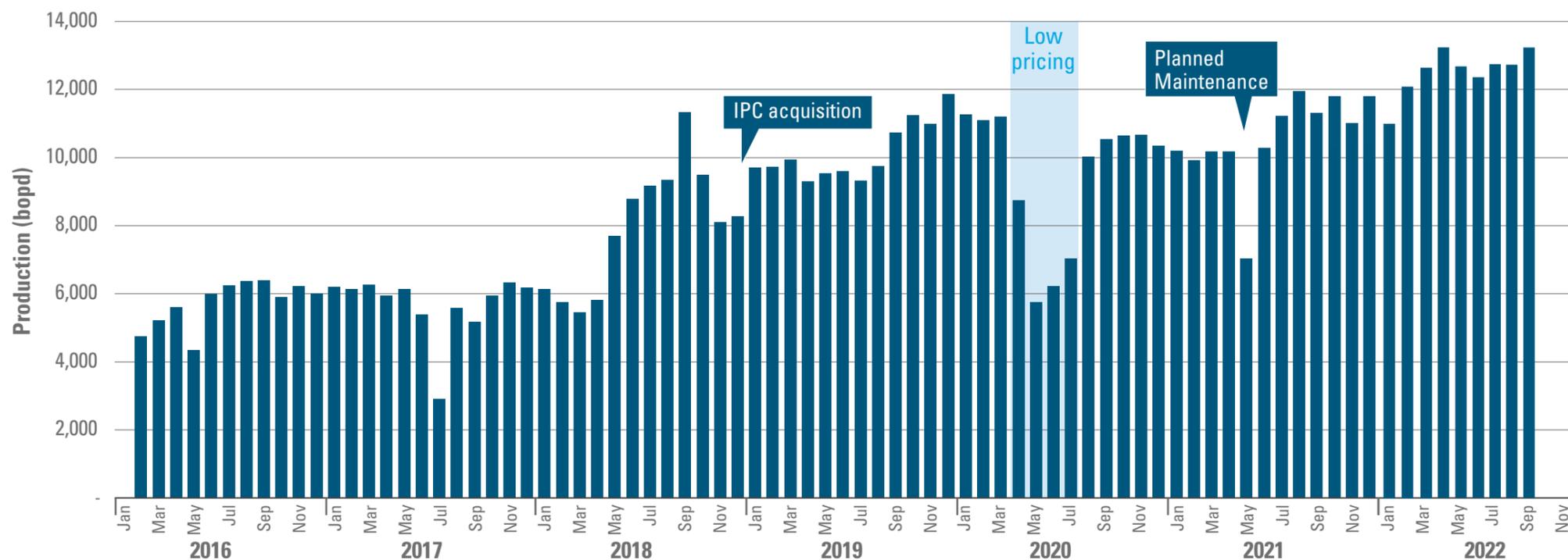
# IPC Canada Onion Lake Thermal <sup>(1)</sup>

## Onion Lake Thermal - Net Pay

- **Record production achieved in Q3**
  - Daily rates in excess of 14,000 bopd name plate capacity
- **2022 drilling program ongoing**
  - 2 new infills drilled, rates exceeding expectations
  - Pad L drilling on track with schedule
  - Additional facilities optimisation activity sanctioned end Q2



## Onion Lake Thermal Production

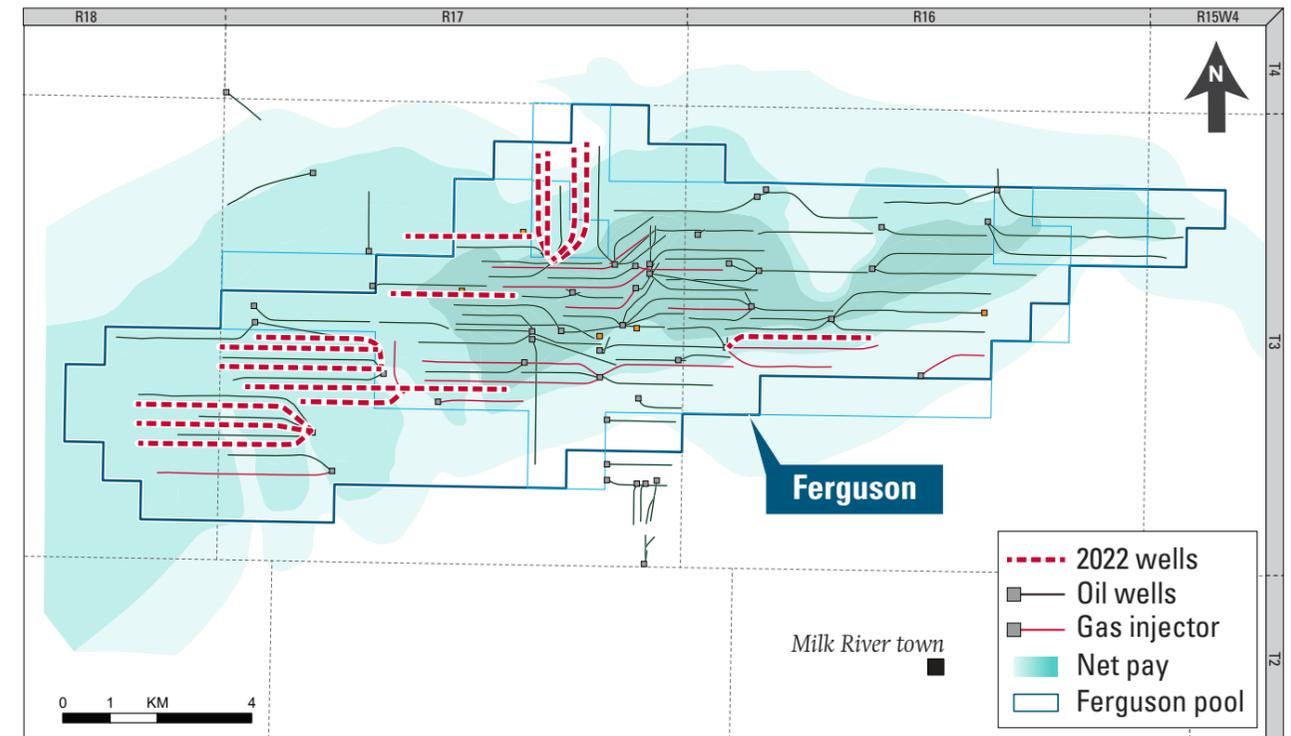


<sup>1)</sup> See Reader Advisory

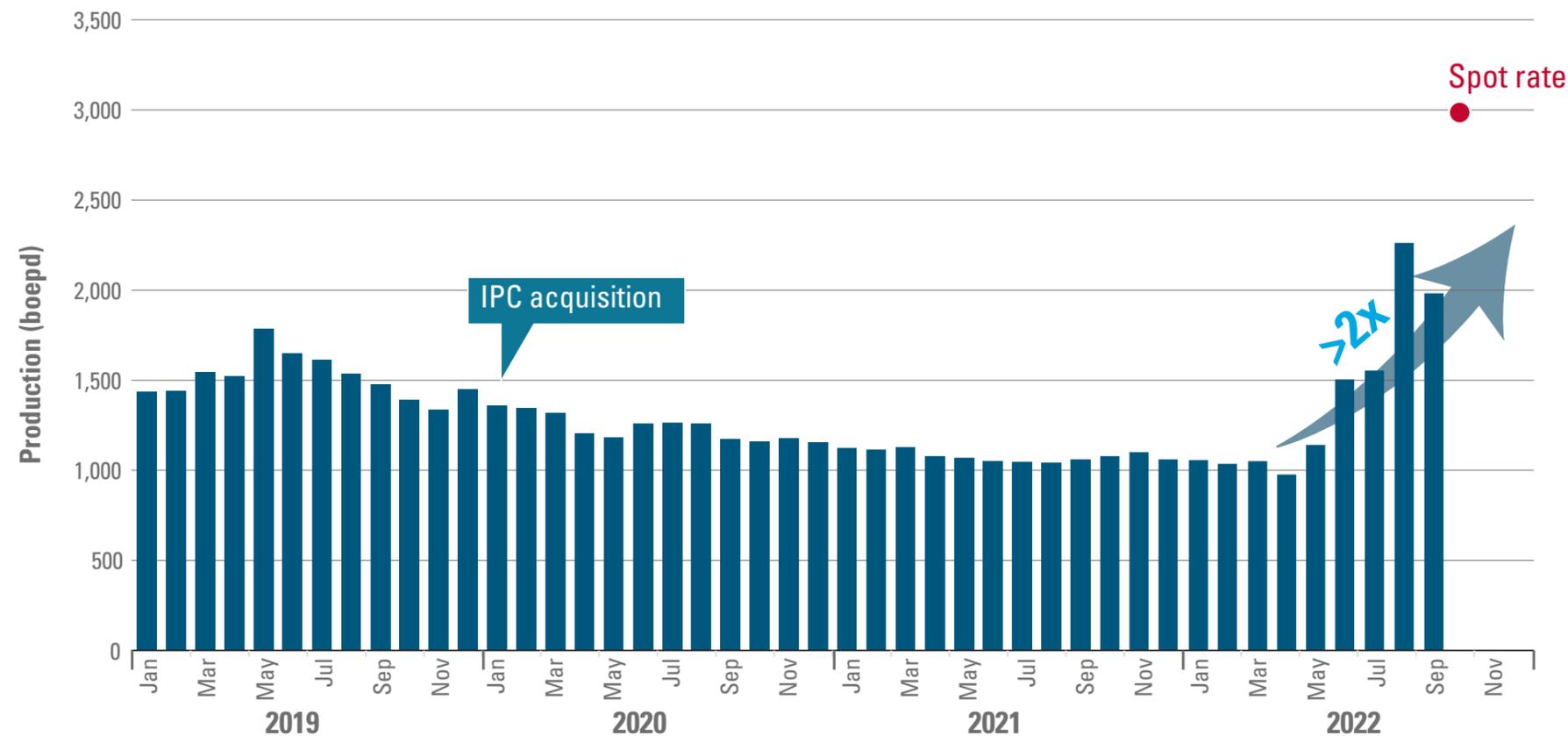
# IPC Canada Ferguson<sup>(1)</sup>

- **Production growth as new wells are brought online**
- **2022 development program complete**
  - 16 new wells completed
  - Daily production of 3,000 boepd achieved for first time under IPC operatorship

## Ferguson - 2022 Drilling Program



## Ferguson Production



<sup>1)</sup> See Reader Advisory.

# IPC Canada Blackrod Contingent Resources<sup>(1)</sup>



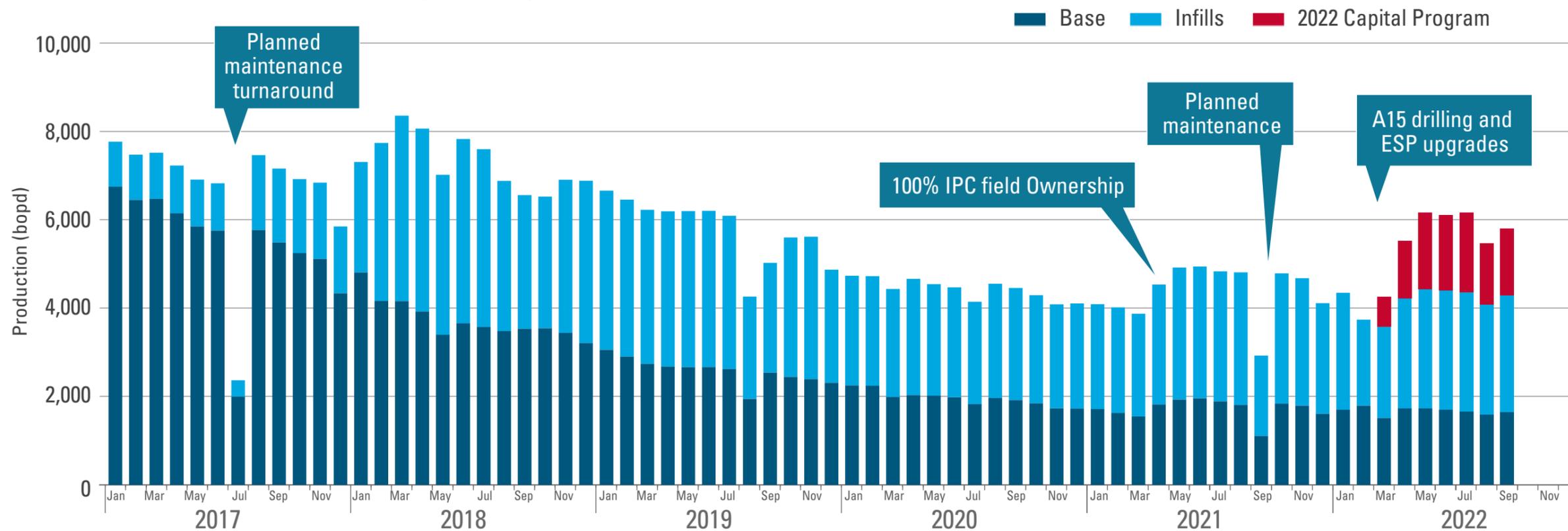
<sup>1)</sup> As at December 31, 2021, best estimate, unrisksed contingent resources and net present value. See Reader Advisory, MD&A and AIF, including “Disclosure of Oil and Gas Information”.

# IPC Malaysia Operations Update <sup>(1)</sup>

- **High facility uptime and strong base well performance**
  - Complemented by strong Q3 dated Brent prices
- **A15 sidetrack and 3 ESP upgrades online**



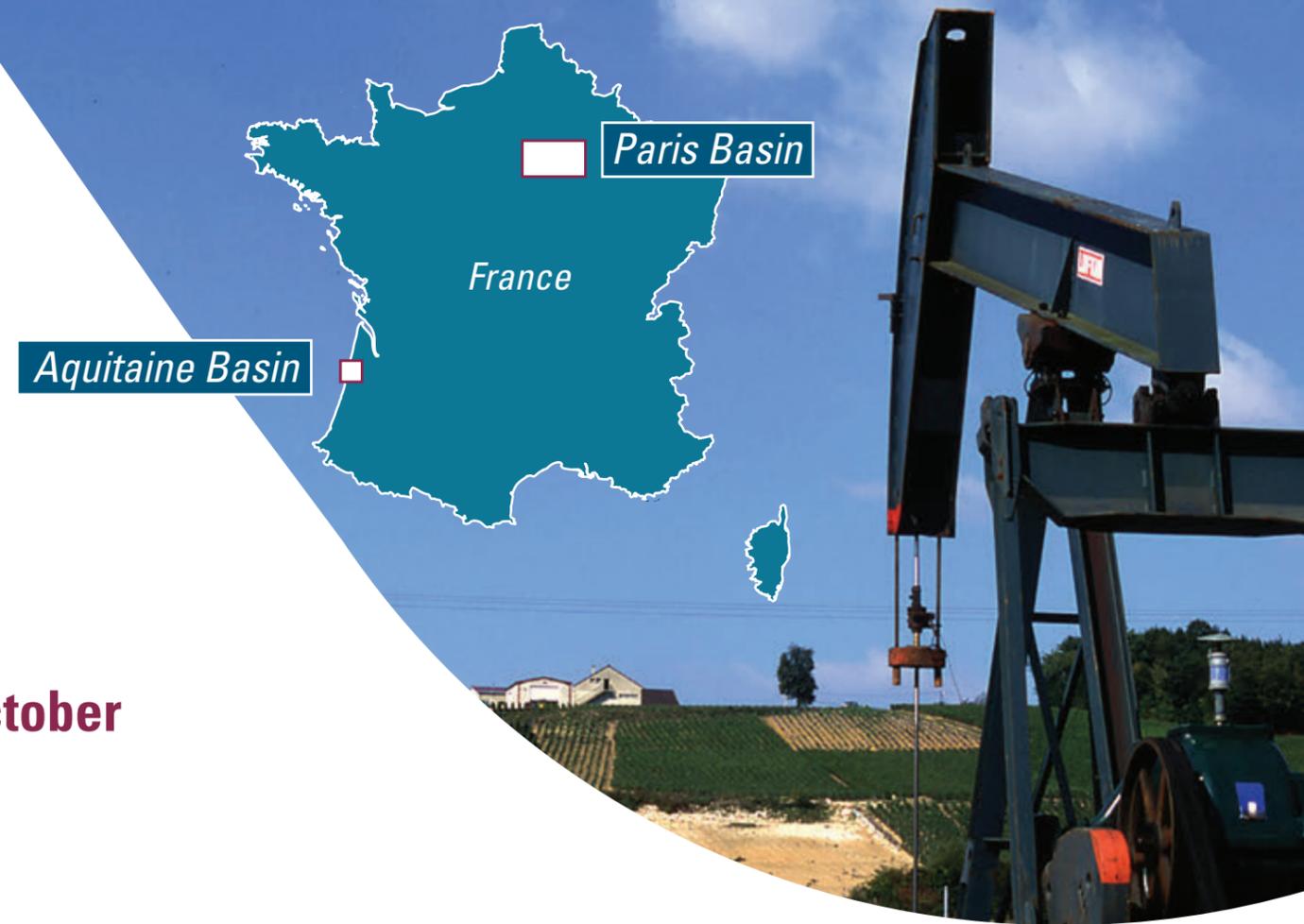
**Bertam Field Production (Net IPC)**



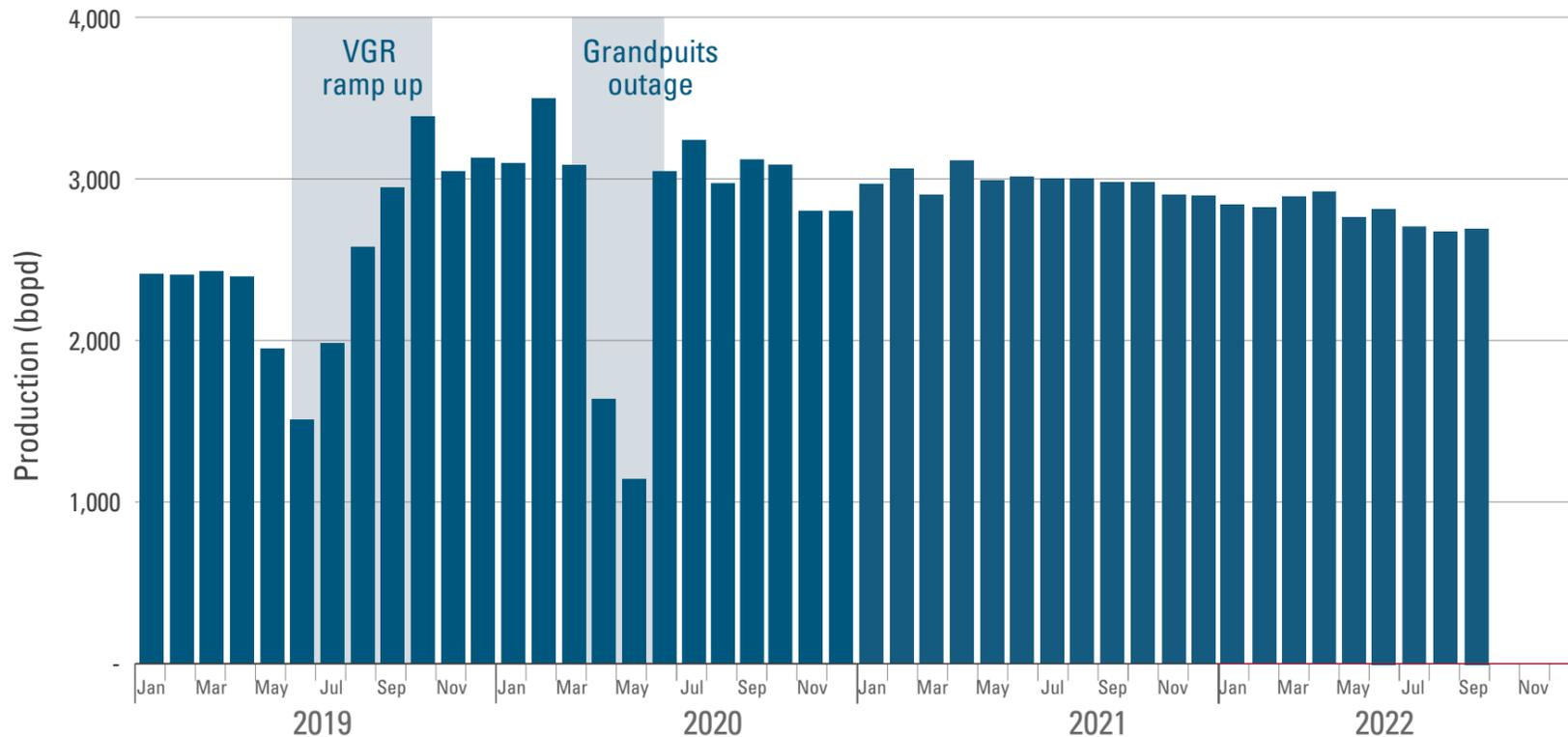
<sup>1)</sup> See Reader Advisory

# IPC France Operations Update <sup>(1)</sup>

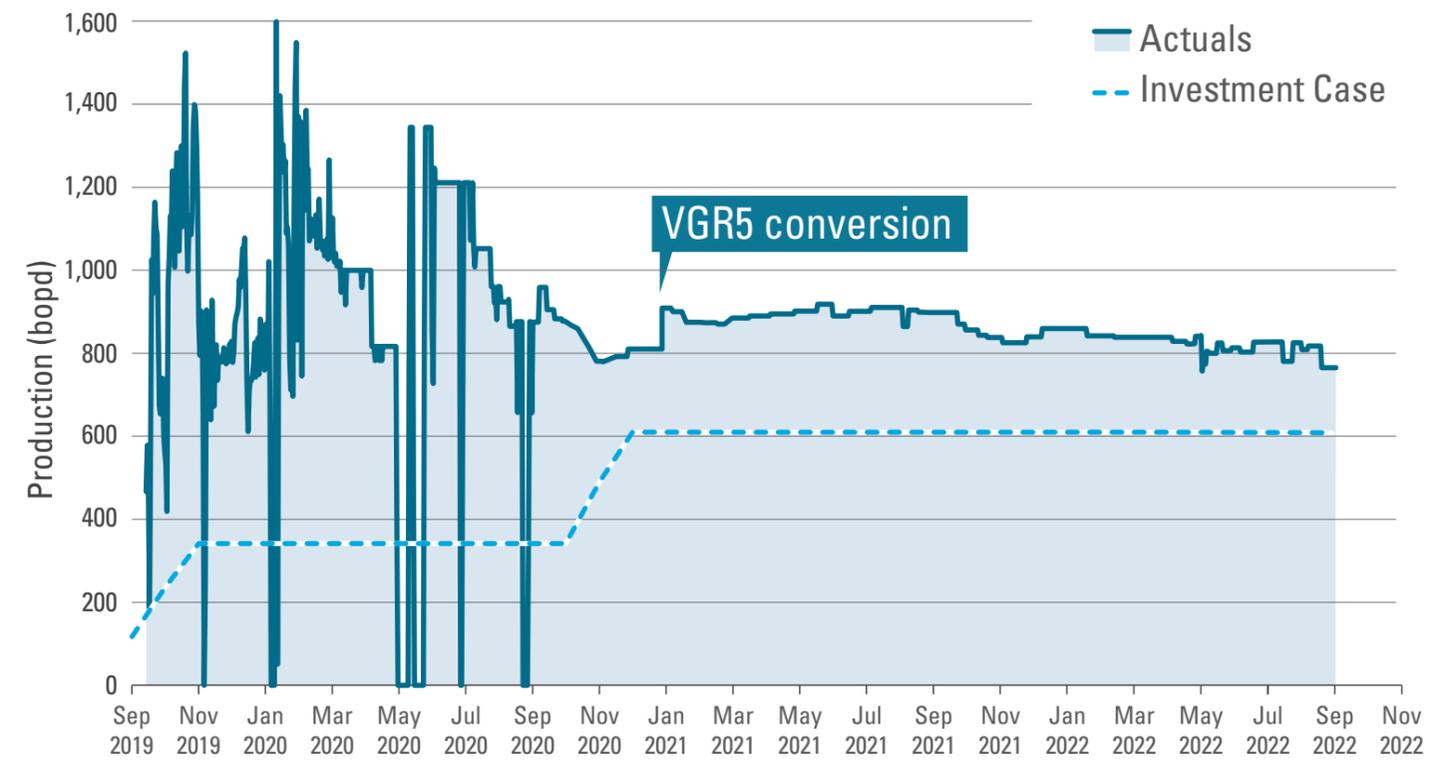
- Strong production from all major producing fields
- VGR113 continues to outperform expectations
- 3 well drilling program at Villeperdue West commenced late October



**France Production**



**VGR-113H Production Performance**



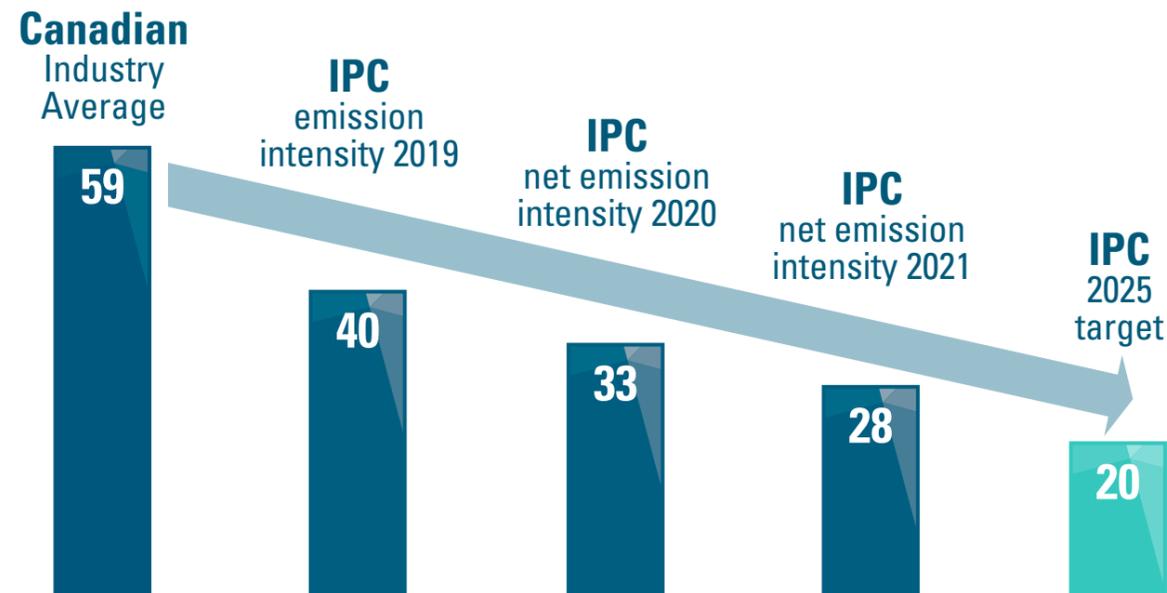
<sup>1)</sup> See Reader Advisory

# International Petroleum Corp. Sustainability & ESG

- **Health and safety**
  - No material safety incidents year to date
- **Climate strategy**
  - On track to achieve 50% net emissions intensity reduction by 2025<sup>(1)</sup>
- **Third annual Sustainability Report released in 2022**
  - Compliant with Global Reporting Initiative (GRI)
  - Alignment with Task Force on Climate-related Financial Disclosures (TCFD)



## Net Emission Reduction Target<sup>(1)</sup> kg CO<sub>2</sub>e/boe



Sources: National Inventory Report Canada and International Association of Oil & Gas Producers.  
<sup>1)</sup> See Reader Advisory. Target reduction is compared to IPC's 2019 net emissions baseline.



# ***First Nine Months 2022 Financial Highlights***



# First Nine Months 2022

## Financial Highlights

	Third Quarter 2022	First Nine Months 2022
Production (boepd)	50,000	48,400
Average Dated Brent Oil Price (USD/boe)	100.8	105.5
Operating costs (USD/boe) <sup>(1)</sup>	15.7	16.5
Operating cash flow (MUSD) <sup>(1)</sup>	171.7	509.3
EBITDA (MUSD) <sup>(1)</sup>	174.3	513.8
Capital expenditure (MUSD) <sup>(2)</sup>	47.7	119.6
Free cash flow (MUSD) <sup>(1)</sup>	116.7	365.0
Net result (MUSD)	90.5	276.5
<b>Net cash (MUSD) <sup>(1, 3)</sup></b>	<b>88.6</b>	

<sup>(1)</sup> See Reader Advisory and MD&A, including "Non-IFRS Measures".

<sup>(2)</sup> Capital expenditure includes decommissioning expenditure of MUSD 4.7 (YTD)

<sup>(3)</sup> Net of SIB funding of MUSD 100.9 (including costs)

# First Nine Months 2022

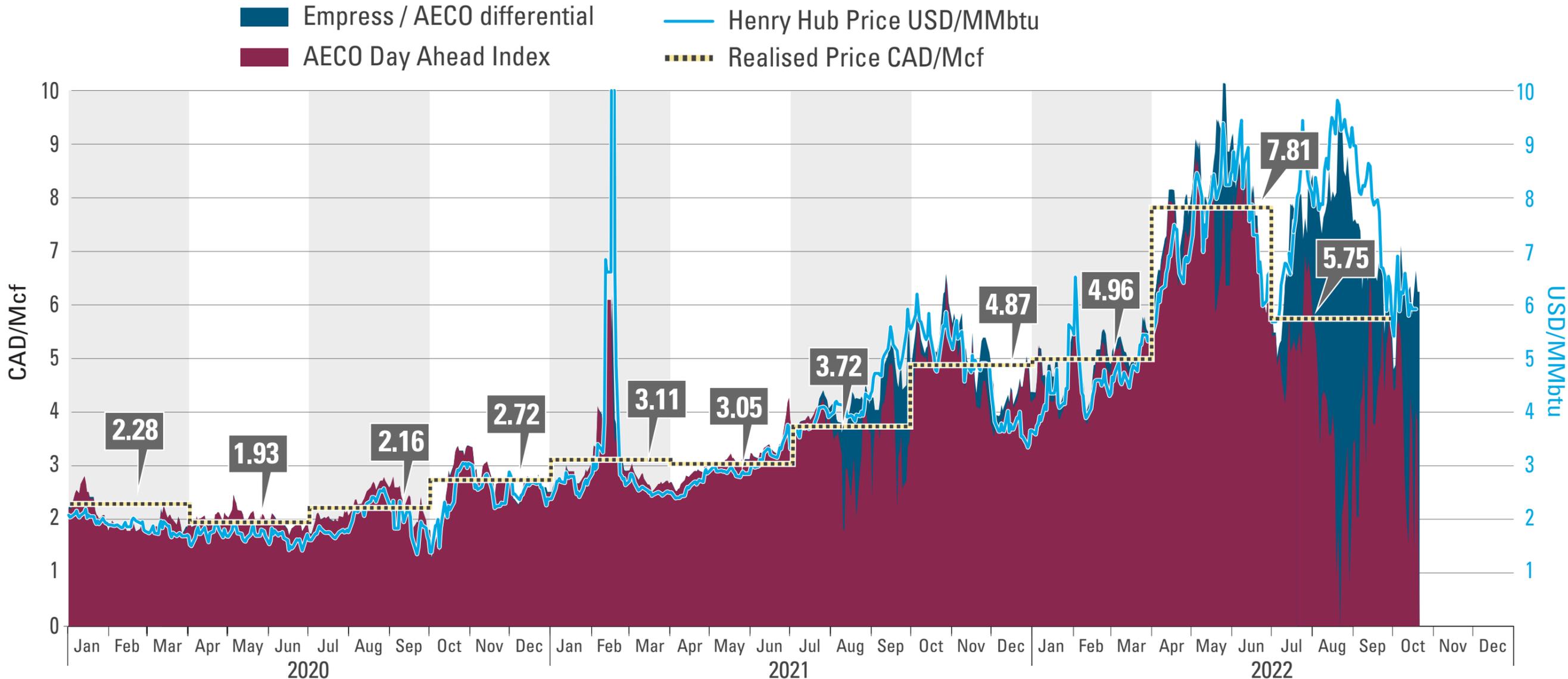
## Realised Oil Prices

<i>USD/bbl</i>	YTD 2022	Q3 2022	Q2 2022	Q1 2022	Full Year 2021	Full Year 2020
Brent	105.5	100.8	113.9	102.2	70.9	41.8
Malaysia	119.1 (+13.6)	115.8 (+15.0)	121.5 (+7.6)	124.1 (+21.9)	75.1 (+4.2)	44.6 (+2.8)
France	102.4 (-3.1)	100.4 (-0.4)	113.7 (-0.2)	95.8 (-6.4)	71.0 (+0.1)	35.8 (-6.0)
WTI	98.2	91.6	108.5	95.0	68.1	39.6
WCS (calculated)	82.4	71.7	95.7	80.4	55.1	27.0
Suffield	81.4 (-1.0)	70.9 (-0.8)	94.5 (-1.2)	78.4 (-2.0)	54.0 (-1.1)	27.5 (+0.5)
Onion Lake	82.2 (-0.2)	71.5 (-0.2)	95.4 (-0.3)	79.3 (-1.1)	52.8 (-2.3)	22.6 (-4.4)

- **Malaysia liftings:** Q3 - 2022 - 2 cargoes => July and September  
Q2 - 2022 - 1 cargo => May  
Q1 - 2022 - 1 cargo => March
- **France:** One Aquitaine cargo lifting in January 2022

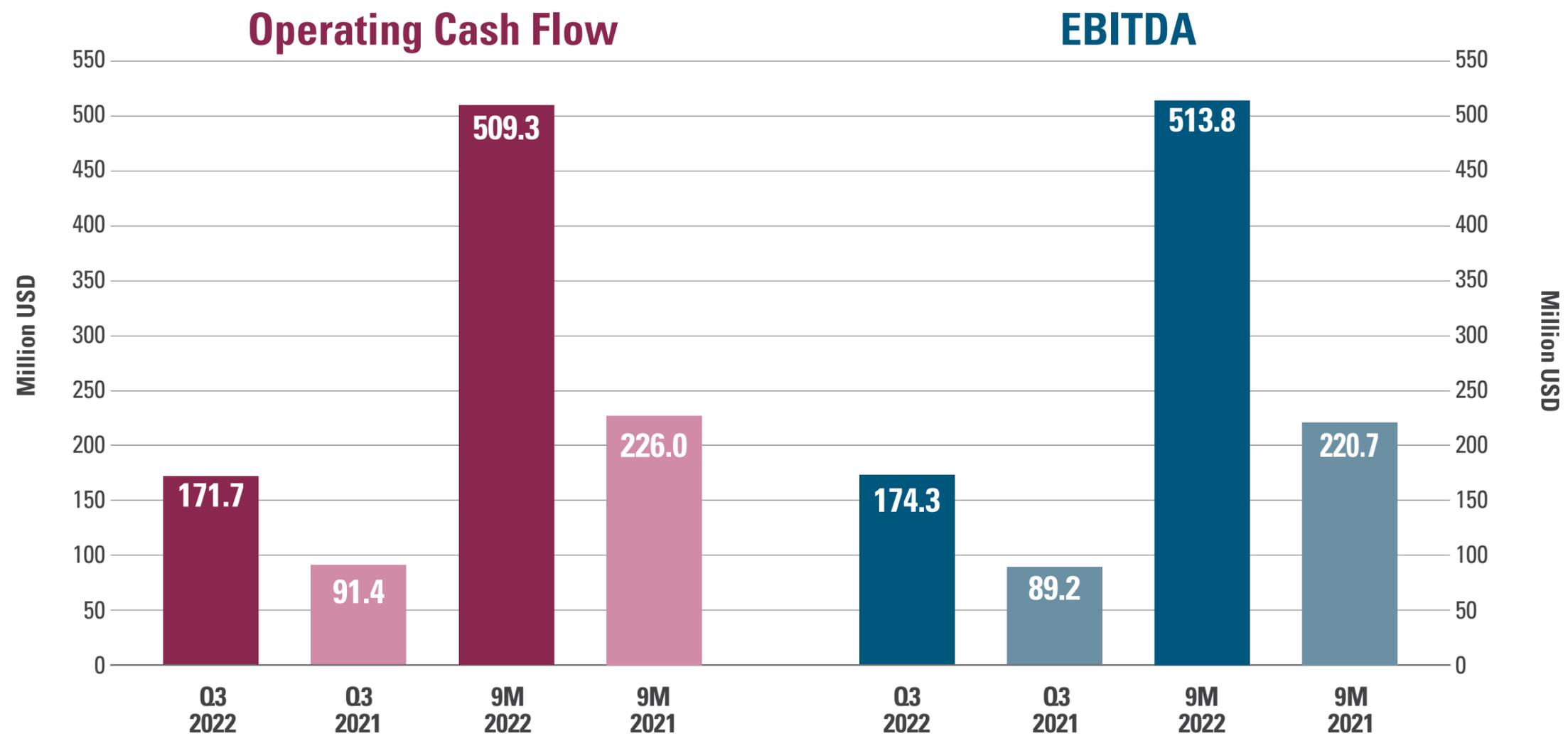
# First Nine Months 2022 Realised Gas Prices

<i>CAD/mcf</i>	<b>YTD 2022</b>	<b>Q3 2022</b>	<b>Q2 2022</b>	<b>Q1 2022</b>	<b>Full Year 2021</b>	<b>Full Year 2020</b>
AECO	5.30	4.08	7.17	4.76	3.63	2.23
Empress	6.58	7.03	7.81	4.96	3.90	2.22
Realised (to AECO)	6.22 (+0.92)	5.75 (+1.67)	7.81 (+0.64)	4.96 (+0.20)	3.70 (+0.07)	2.28 (+0.05)



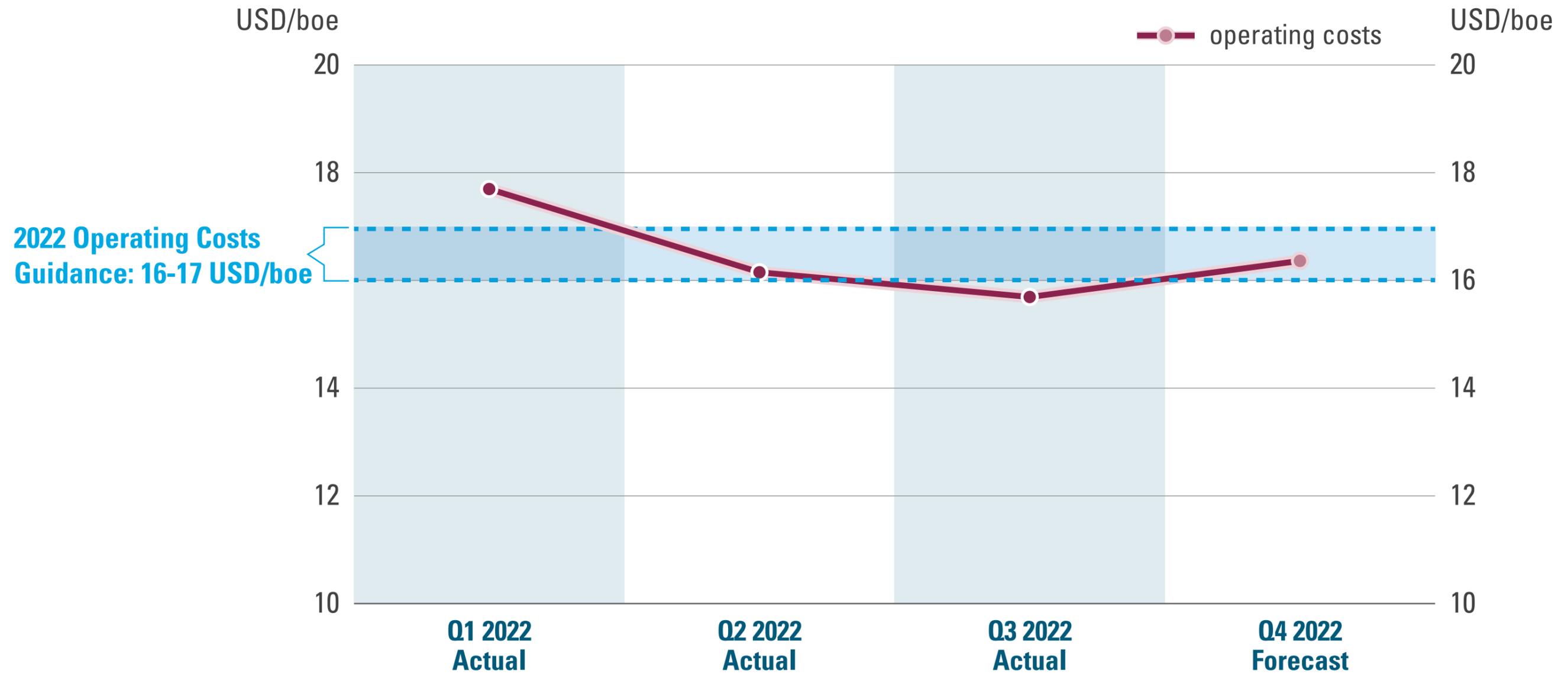
# First Nine Months 2022

## Financial Results – Operating Cash Flow & EBITDA <sup>(1)</sup>



<sup>(1)</sup> See Reader Advisory and MD&A, including “Non-IFRS Measures”.

# First Nine Months 2022 Operating Costs <sup>(1)</sup>



<sup>(1)</sup> See Reader Advisory and MD&A, including "Non-IFRS Measures".

# First Nine Months 2022

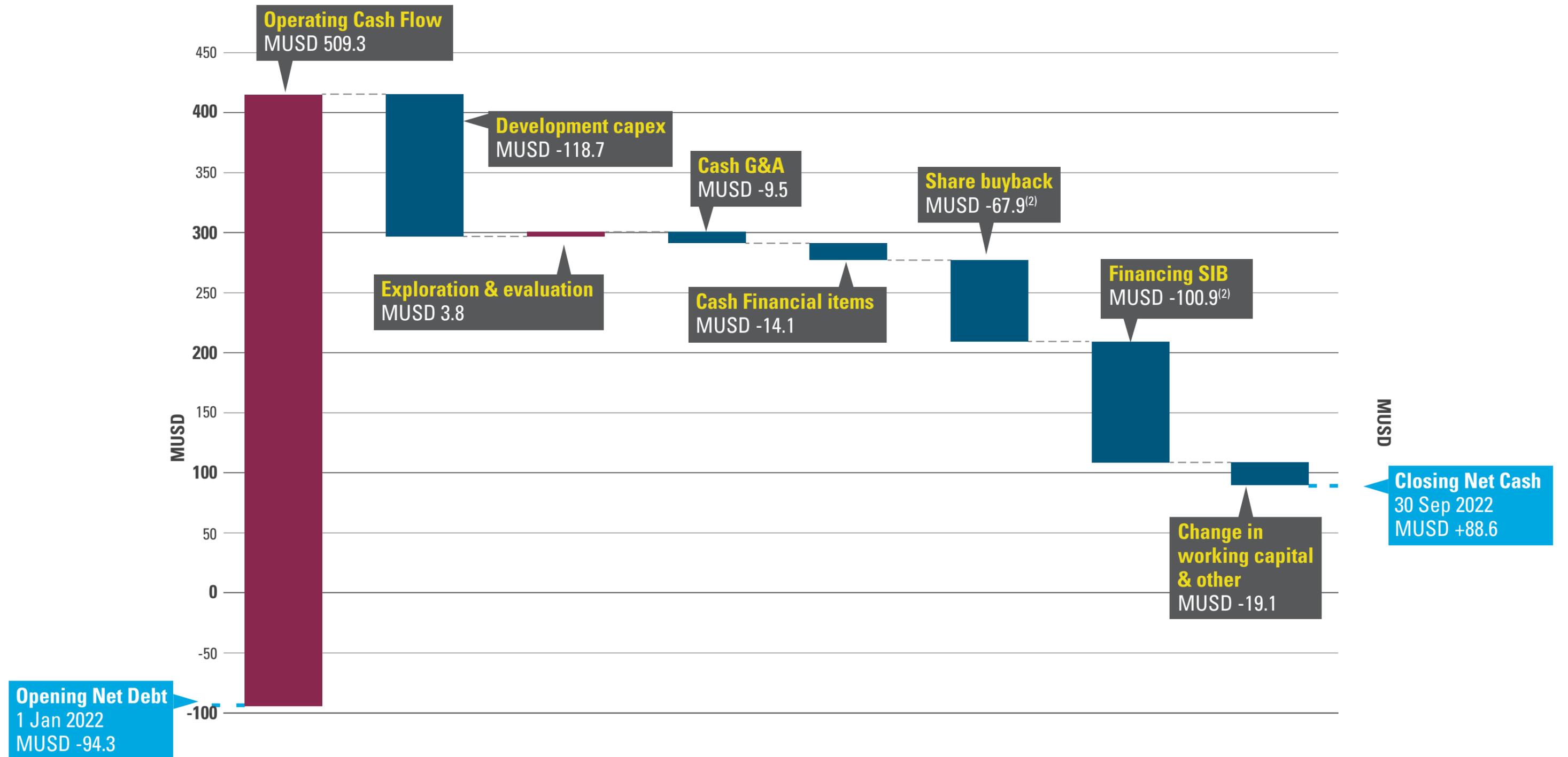
## Netback<sup>(1)</sup> (USD/boe)

	Third Quarter 2022	First Nine Months 2022
<i>Average Dated Brent oil price</i>	<i>(100.8 USD/bbl)</i>	<i>(105.5 USD/bbl)</i>
Revenue	65.3	66.6
Cost of operations	-13.2	-13.8
Tariff and transportation	-1.9	-2.0
Production taxes	-0.6	-0.7
Operating costs <sup>(2)</sup>	-15.7	-16.5
Cost of blending	-9.2	-10.8
Inventory movements	-2.0	+0.3
<b>Revenue – production costs</b>	<b>38.4</b>	<b>39.6</b>
Cash taxes	-1.1	-1.1
<b>Operating cash flow<sup>(2)</sup></b>	<b>37.3</b>	<b>38.5</b>
General and administration costs <sup>(3)</sup>	-0.5	-0.7
<b>EBITDA<sup>(2)</sup></b>	<b>37.9</b>	<b>38.9</b>

<sup>(1)</sup> Based on production volumes. <sup>(2)</sup> See Reader Advisory and MD&A, including “Non-IFRS Measures”. <sup>(3)</sup> Net of depreciation.

# First Nine Months 2022

## Cash Flows and Closing Net Cash<sup>(1)</sup> (MUSD)



<sup>(1)</sup> See Reader Advisory and MD&A, including "Non-IFRS Measures". <sup>(2)</sup> Including costs

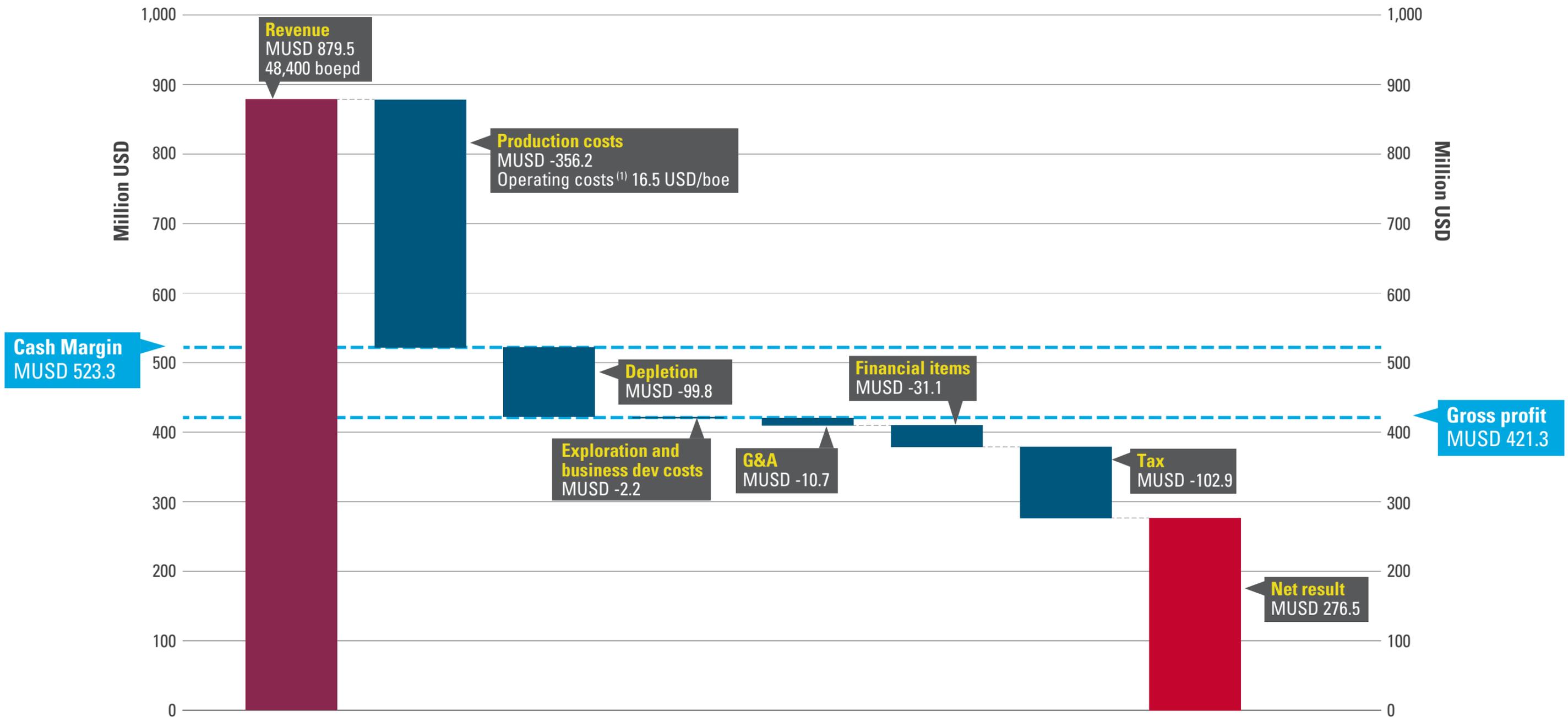
# First Nine Months 2022

## G&A / Financial Items (MUSD)

	Third Quarter 2022	First Nine Months 2022
Net interest expense	4.1	13.0
Amortisation of capitalised financing fees	0.3	2.9
Unwinding of asset retirement obligation discount	2.7	8.2
Net foreign exchange loss (gain) and others <sup>(1)</sup>	2.1	7.0
<b>Net Financial Items</b>	<b>9.2</b>	<b>31.1</b>
	Third Quarter 2022	First Nine Months 2022
G&A	2.4	9.5
G&A – Depreciation	0.4	1.2
<b>G&amp;A Expense</b>	<b>2.8</b>	<b>10.7</b>

<sup>(1)</sup> Mainly non-cash, driven by the revaluation of intra-group loans

# First Nine Months 2022 Financial Results



<sup>(1)</sup> See Reader Advisory and MD&A, including "Non-IFRS Measures".

# 30 September 2022

## Balance Sheet (MUSD)

	30 Sep 2022	31 Dec 2021
<b>Assets</b>		
Oil and gas properties	919.6	971.6
Other non-current assets	71.7	151.0
Current assets	177.4	132.3
Cash	400.5	18.8
	<b>1,569.2</b>	<b>1,273.7</b>
<b>Liabilities</b>		
Financial liabilities	8.7	109.2
Bonds (net of capitalised fees)	295.2	—
Provisions	190.8	198.8
Other non-current liabilities	45.3	23.1
Current liabilities	135.8	95.0
Equity	893.4	847.6
	<b>1,569.2</b>	<b>1,273.7</b>

# International Petroleum Corp.

## Capital Structure

- **Bonds 300 MUSD**

- 5 years - Maturity February 2027
- 7.25% coupon
- Interest payable 1<sup>st</sup> February and 1<sup>st</sup> August

- **French unsecured loan 12 MEUR outstanding**

- Maturity May 2026
- Fully drawn at end Q3 2022
- Repayments commenced August 2022

- **Canadian RCF 75 MCAD**

- Maturity February 2024
- Undrawn at end Q3 2022
- Letters of credit posted 4.6 MCAD

# International Petroleum Corp. Hedging

## ■ 2022 Canadian Hedges

### ■ Oil hedging (~60% of Canadian oil Oct-Dec production):

– Oct-Dec 22: 16.0 Mbopd WTI/WCS diff. swap at 13.04 USD/bbl

## ■ 2023 Canadian Hedges

### ■ Oil hedging

– WCS - ARV: 12.0 Mbopd at -10 USD/bbl

## ■ 2022 Malaysian/French oil production (Brent priced) unhedged

## ■ No hedge covenants

## ■ 2023 FX hedges

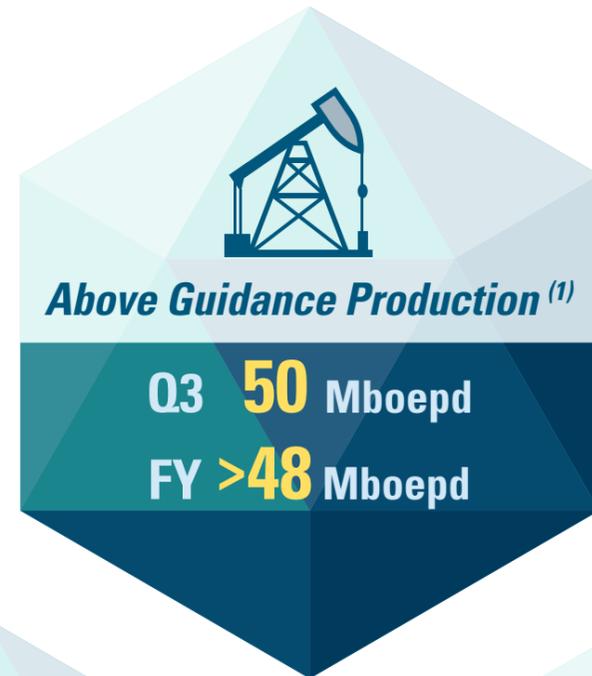
– Buy MCAD 15 at 1.36 and MEUR 3 at 1.00 per month (sell USD)

Historic WTI/WCS Differential (USD/bbl)



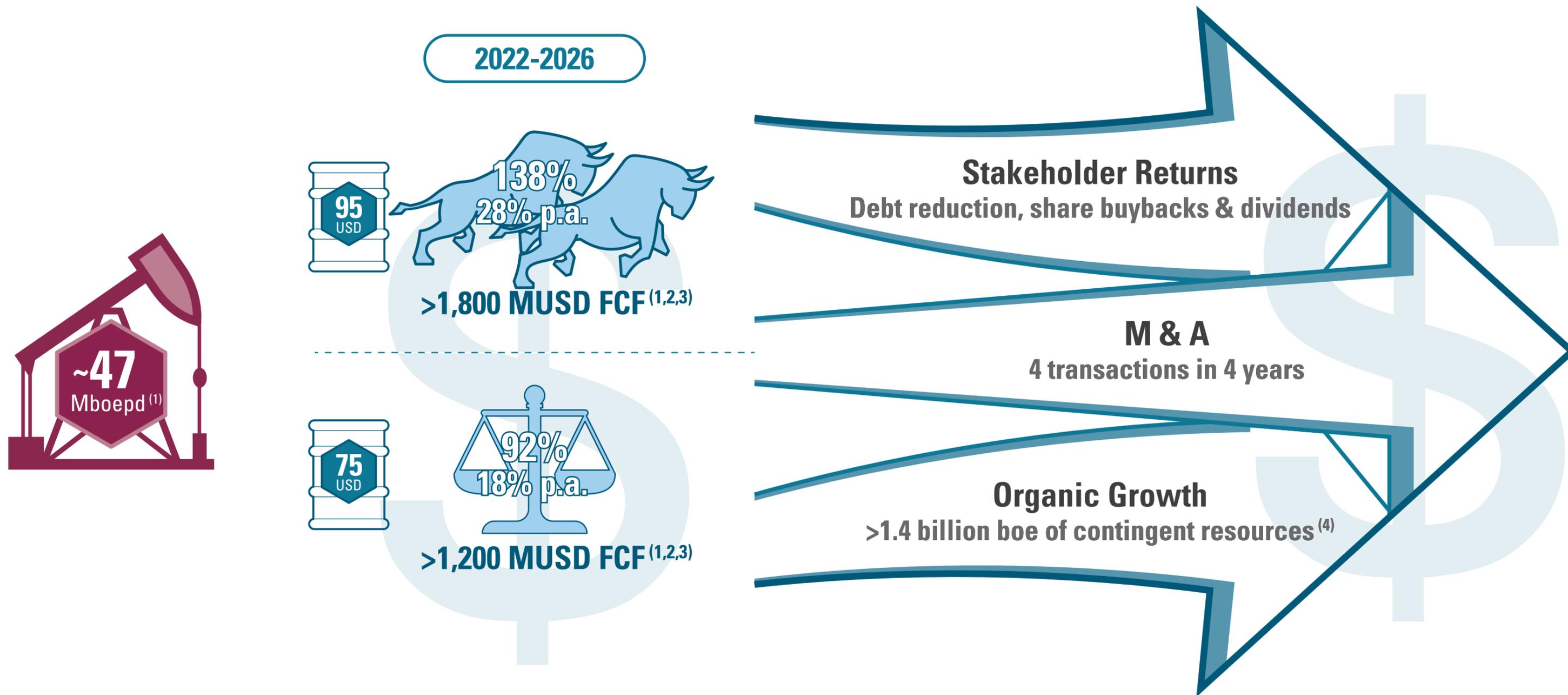
# International Petroleum Corp.

## Q3 2022 Highlights



<sup>1)</sup> See Reader Advisory, including "Supplemental Information regarding Product Types". <sup>2)</sup> See Reader Advisory and MD&A, including "Non-IFRS Measures". <sup>3)</sup> Net of SIB funding of MUSD 100.

# International Petroleum Corp. Strongly Positioned to Create Stakeholder Value



<sup>1)</sup> See Reader Advisory, including "Forward-Looking Statements" and "Supplemental Information regarding Product Types" in "Disclosure of Oil and Gas Information".

<sup>2)</sup> See Reader Advisory and MD&A, including "Non-IFRS measures".

<sup>3)</sup> See Reader Advisory, including "Forward-Looking Statements". Estimated free cash flow generation is based on IPC's current business plans over the period of 2022 to 2026. Assumptions include average net production over that period of approximately 47 Mboepd, average Brent oil prices of USD 65 to 95 per boe escalating by 2% per year, average gas prices of CAD 3.00 per thousand cubic feet, and average Brent to Western Canadian Select differentials as estimated by IPC's independent reserves evaluator and as further described in the AIF. Free cash flow yield is based on IPC's market capitalization at close October 28, 2022 (104.1 SEK/share, 11.0 SEK/USD, USD 1,307 million). IPC's current business plans and assumptions, and the business environment, are subject to change. Actual results may differ materially from forward-looking estimates and forecasts.

<sup>4)</sup> As at December 31, 2021, best estimate, unrisks. See Reader Advisory and AIF, including "Disclosure of Oil and Gas Information".

# Reader Advisory

## Forward-Looking Statements

This presentation contains statements and information which constitute “forward-looking statements” or “forward-looking information” (within the meaning of applicable securities legislation). 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 presentation are expressly qualified by this cautionary statement. Forward-looking statements speak only as of the date of this presentation, 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.

The Covid-19 virus and the restrictions and disruptions related to it had a material effect on the world demand for, and prices of, oil and gas as well as the market price of the shares of oil and gas companies generally. Although demand, commodity prices and share prices have recovered, there can be no assurance that these effects will not resume or that commodity prices will not decrease or remain volatile in the future. These factors are beyond the control of the Corporation and it is difficult to assess how these, and other factors, will continue to affect the Corporation and the market price of IPC’s common shares. In light of the current situation, as at the date of this presentation, the Corporation continues to review and assess its business plans and assumptions regarding the business environment, as well as its estimates of future production, cash flows, operating costs and capital expenditures.

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:

- IPC’s ability to maximize liquidity and financial flexibility in connection with the current and any future Covid-19 outbreaks;
- the potential for an improved future economic environment, including resulting from a lack of capital investment and drilling in the oil and gas industry;
- 2022 production range, operating costs and capital and decommissioning expenditure estimates;
- estimates of future production, cash flows, operating costs and capital expenditures that are based on IPC’s current business plans and assumptions regarding the business environment, which are subject to change;
- IPC’s financial and operational flexibility to continue to react to recent events and navigate the Corporation through periods of volatile commodity prices;
- IPC’s ability to mitigate exposure to volatile WCS crude price differentials;
- IPC’s continued access to its credit facilities, including current financial headroom, on terms acceptable to the Corporation;
- the ability to fully fund future expenditures and share repurchases from cash flows and current borrowing capacity;
- IPC’s ability to maintain operations, production and business in light of the current and any future Covid-19 outbreaks and the restrictions and disruptions related thereto, including risks related to production delays and interruptions, changes in laws and regulations and reliance on third-party operators and infrastructure;
- IPC’s intention and ability to continue to implement our strategies to build long-term shareholder value;
- the ability of IPC’s portfolio of assets to provide a solid foundation for organic and inorganic growth;
- the continued facility uptime and reservoir performance in IPC’s areas of operation;
- future development potential of the Suffield and Ferguson operations in Canada, including the timing and success of future oil and gas drilling and optimisation programs;
- development of the Blackrod project in Canada, including estimates of resource volumes, future production, timing, breakeven prices and net present value;
- current and future drilling pad production and timing and success of facility upgrades, tie-in work and infill drilling at Onion Lake Thermal;
- the potential improvement in the Canadian oil egress situation and IPC’s ability to benefit from any such improvements;
- the timing and success of the future development projects and other organic growth opportunities in France;
- the ability to maintain current and forecast production in France;
- the timing and success of the Villeperdue West development project in France;
- the ability of IPC to achieve and maintain current and forecast production in Malaysia;
- the ability of IPC to acquire further common shares under the NCIB, including the timing of any such purchases;
- the return of value to IPC’s shareholders as a result of the SIB or the NCIB;
- the ability of IPC to implement future shareholder distributions in addition to the SIB and the NCIB;
- IPC’s ability to implement its GHG emissions intensity and climate strategies and to achieve its net GHG emissions intensity reduction targets;
- estimates of reserves and contingent resources;
- the ability to generate free cash flows and use that cash to repay debt;
- IPC’s ability to identify and complete future acquisitions; and
- future drilling and other exploration and development activities.

Statements relating to “reserves” and “contingent 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.

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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 fluctuations;
- interest rate and exchange rate fluctuations;
- marketing and transportation;
- loss of markets;
- environmental and climate-related 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.

Additional information on these and other factors that could affect IPC, or its operations or financial results, are included in the financial statements and the management's discussion and analysis for the three and nine months ended September 30, 2022 (MD&A) (See "Cautionary Statement Regarding Forward-Looking Information" and "Reserves and Resources Advisory" therein), the Corporation's Annual Information Form (AIF) for the year ended December 31, 2021 (See "Cautionary Statement Regarding Forward-Looking Information", "Reserves and Resources Advisory" and "Risk Factors" therein) and other reports on file with applicable securities regulatory authorities, including previous financial reports, management's discussion and analysis and material change reports, which may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) or IPC's website ([www.international-petroleum.com](http://www.international-petroleum.com)).

The current and any future Covid-19 outbreaks may increase IPC's exposure to, and magnitude of, each of the risks and uncertainties identified above that result from a reduction in demand for oil and gas consumption, lower commodity prices, reliance on third parties, operational risks and costs and changes in government regulation. The extent to which Covid-19 impacts IPC's business, results of operations and financial condition will depend on future developments, which are highly uncertain and are difficult to predict, including, but not limited to, the duration and spread of the current and any future Covid-19 outbreaks, their severity, the actions taken to contain such outbreaks or treat their impact, and how quickly and to what extent normal economic and operating conditions resume and their impacts to IPC's business, results of operations and financial condition which could be more significant in upcoming periods as compared with previous periods. Even after the Covid-19 outbreaks have subsided, IPC may continue to experience materially adverse impacts to IPC's business as a result of the global economic impact.

Management of IPC approved the production, operating costs, operating cash flow, capital and decommissioning expenditures and free cash flow guidance and estimates contained herein as of the date of this presentation. The purpose of these guidance and estimates is to assist readers in understanding IPC's expected and targeted financial results, and this information may not be appropriate for other purposes.

Estimated free cash flow generation is based on IPC's current business plans over the period of 2022 to 2026. Assumptions include average net production of approximately 47 Mboepd, average Brent oil prices of USD 65 to 95 per boe escalating by 2% per year, average gas prices of CAD 3.00 per thousand cubic feet, and average Brent to Western Canadian Select differentials as estimated by IPC's independent reserves evaluator and as further described in the AIF. IPC's current business plans and assumptions, and the business environment, are subject to change. Actual results may differ materially from forward-looking estimates and forecasts.

## Non-IFRS Measures

References are made in this presentation to "operating cash flow" (OCF), "free cash flow" (FCF), "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 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 to assess the cash generated by and the financial performance and position of the Corporation. 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. 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.

The definition and reconciliation of each non-IFRS measure is presented in IPC's MD&A (See "Non-IFRS Measures" therein).

# Reader Advisory

## Disclosure of Oil and Gas Information

This presentation contains references to estimates of gross and net reserves and resources attributed to the Corporation's 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 and estimates of future net revenue in respect of IPC's oil and gas assets in Canada are effective as of December 31, 2021, and are included in the reports prepared by Sproule Associates Limited (Sproule), an independent qualified reserves evaluator, 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 Sproule's December 31, 2021 price forecasts.

Reserve estimates, contingent resource estimates and estimates of future net revenue in respect of IPC's oil and gas assets in France and Malaysia are effective as of December 31, 2021, and are included in the report prepared by ERC Equipoise Ltd. (ERCE), an independent qualified reserves auditor, in accordance with NI 51-101 and the COGE Handbook, and using Sproule's December 31, 2021 price forecasts.

The price forecasts used in the Sproule and ERCE reports are available on the website of Sproule (sproule.com) and are contained in the AIF. These price forecasts are as at December 31, 2021 and may not be reflective of current and future forecast commodity prices.

The reserves life index (RLI) is calculated by dividing the 2P reserves of 270 MMboe as at December 31, 2021, by the mid-point of the 2022 average net daily production guidance of 46,000 to 48,000 boepd.

The product types comprising the 2P reserves and contingent resources described in this presentation are contained in the AIF. See also "Supplemental Information regarding Product Types" below. Light, medium and heavy crude oil reserves/resources disclosed in this presentation 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.

Each of the reserves categories reported (proved and probable) 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) 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 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 either development on hold or development unclarified. Development on hold is defined as a contingent resource where there is a reasonable chance of development, but there are major non-technical contingencies to be resolved that are usually beyond the control of the operator. 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 commercial considerations can be clearly defined. Chance of development is the probability of a project being commercially viable.

References to "unrisked" contingent resources volumes means that the reported volumes of contingent resources have not been risked (or adjusted) based on chance of commerciality. In accordance with the COGE Handbook guidance for contingent resources, the chance of commerciality is solely based on the chance of development associated with resolution of all contingencies required for the re-classification of the contingent resources as reserves being resolved. Reported unrisked 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 this presentation 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 Corporation's control. There is uncertainty that it will be commercially viable to produce any portion of the contingent resources referred to in this presentation. References to "contingent resources" do not constitute, and should be distinguished from, references to "reserves".

2P reserves and contingent resources included in the reports prepared by Sproule and ERCE in respect of IPC's oil and gas assets in Canada, France and Malaysia have been aggregated 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 the effects of aggregation. This presentation contains estimates of the net present value of the future net revenue from IPC's reserves and contingent resources. The estimated values of future net revenue disclosed in this presentation do not represent fair market value. There is no assurance that the forecast prices and cost assumptions used in the reserve and resources evaluations will be attained and variances could be material.

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.

# Reader Advisory

## Supplemental Information regarding Product Types

The following table is intended to provide supplemental information about the product type composition of IPC's net average daily production figures provided in this presentation:

	Heavy Crude Oil (Mbopd)	Light and Medium Crude Oil (Mbopd)	Conventional Natural Gas (per day)	Total (Mboepd)
<b>Three months ended</b>				
September 30, 2022	22.7	10.4	101.5 MMcf (16.9 Mboe)	50.0
September 30, 2021	21.8	8.3	100.8 MMcf (16.7 Mboe)	46.8
<b>Nine months ended</b>				
September 30, 2022	22.6	9.4	98.1 MMcf (16.4 Mboe)	48.4
September 30, 2021	20.0	8.4	99.6 MMcf (16.7 Mboe)	45.1
<b>Year ended</b>				
December 31, 2021	20.4	8.4	99.9 MMcf (16.7 Mboe)	45.5

This presentation also makes reference to IPC's forecast average net daily production of 46,000 to 48,000 boepd for 2022. IPC estimates that approximately 46% of that production will be comprised of heavy oil, approximately 20% will be comprised of light and medium crude oil and approximately 34% will be comprised of conventional natural gas.

This presentation includes oil and gas metrics including "cash margin netback", "taxation netback", "operating cash flow netback", "cash taxes", "EBITDA netback" and "profit netback". Such metrics do not have a standardized meaning under IFRS or otherwise, and as such may not be reliable. This information should not be used to make comparisons.

"Cash margin netback" is calculated on a per boe basis as oil and gas sales, less operating, tariff/transportation and production tax expenses. Netback is a common metric used in the oil and gas industry and is used by management to measure operating results on a per boe basis to better analyze performance against prior periods on a comparable basis.

"Taxation netback" is calculated on a per boe basis as current tax charge/credit less deferred tax charge/credit. Taxation netback is used to measure taxation on a per boe basis.

"Operating cash flow netback" is calculated as cash margin netback less cash taxes. Operating cash flow netback is used to measure operating results on a per boe basis of cash flow.

"Cash taxes" is calculated as taxes payable in cash, and not only for accounting purposes. Cash taxes is used to measure cash flow.

"EBITDA netback" is calculated as cash margin netback less general and administration expenses. EBITDA netback is used by management to measure operating results on a per boe basis.

"Profit netback" is calculated as cash margin netback less depletion/depreciation, general and administration expenses and financial items. Profit netback is used by management to measure operating results on a per boe basis.

## Currency

All dollar amounts in this presentation are expressed in United States dollars, except where otherwise noted. References herein to USD mean United States dollars. References herein to CAD mean Canadian dollars.

## Oil related terms and measurements

bbl	Barrel (1 barrel = 159 litres)
boe	Barrels of oil equivalents
boepd	Barrels of oil equivalents per day
bopd	Barrels of oil per day
Bscf	Billion standard cubic feet
GJ	Gigajoules
Mbbl	Thousand barrels
Mboe	Thousand barrels of oil equivalents
Mboepd	Thousand barrels of oil equivalents per day
Mbopd	Thousand barrels of oil per day.
MMboe	Million barrels of oil equivalents
Mcf	Thousand cubic feet
MMcf	Million cubic feet
NGL	Natural gas liquid



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