International Petroleum Corp.
Internationally Focused Upstream Company

A Transformational Acquisition
September 2017

International Petroleum Corp.

Transaction Highlights

"Delivering on our promise: An acquisition of a high quality asset; with significant upside resource potential; at a favourable point in the cycle; with no dilution to shareholders"

- **Acquiring Cenovus operated interest in Suffield/Alderson assets**
- **Consideration CAD 512 million and certain contingent consideration amounts** [1]
- **2P reserves of 100 MMboe** [2]
- **2C resources of 46 MMboe** [2]
- **Production of 24,000 boepd** [3]
- **Significant inventory of low risk oil and gas development opportunities**
- **Acquisition fully debt financed**

1) Up to 36 MUSD in 2018/2019 dependent on oil and gas prices

2) As at 31 December 2017

3) Forecast average 2017 production

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Suffield

Acquisition Rationale

IPC Position

- High quality conventional oil and gas producing assets
- No growth capital invested for many years
- Fully operated with high calibre Cenovus team transferring with the assets
- Low decline assets with significant resource and development upside
- Low cost operation with strong leverage to commodity prices
- Stable political jurisdiction and favorable fiscal regime
- Ability to leverage asset means no equity dilution

Cenovus Position

- Conventional oil and gas production was undercapitalised
- Their focus is on oil sands and new Deep Basin assets
- Disposal of conventional oil and gas production
- Seeking to de-lever following ConocoPhillips Canadian acquisition

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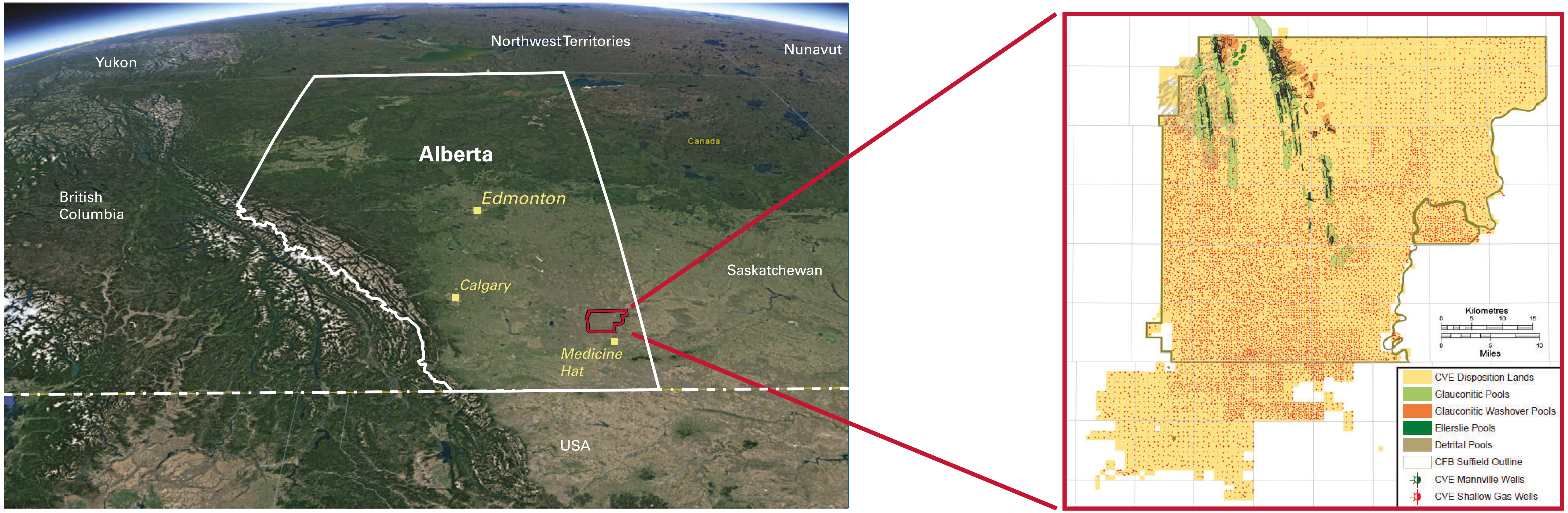
Suffield Location Map

- **Commanding, difficult-to-replicate land position**
  - Over 800,000 acres of shallow gas rights and over 100,000 acres of petroleum rights
- **Land position shared with Canadian forces base**
- **Long history of shared access rights**

Cenovus Land Position and Key Oil Pools



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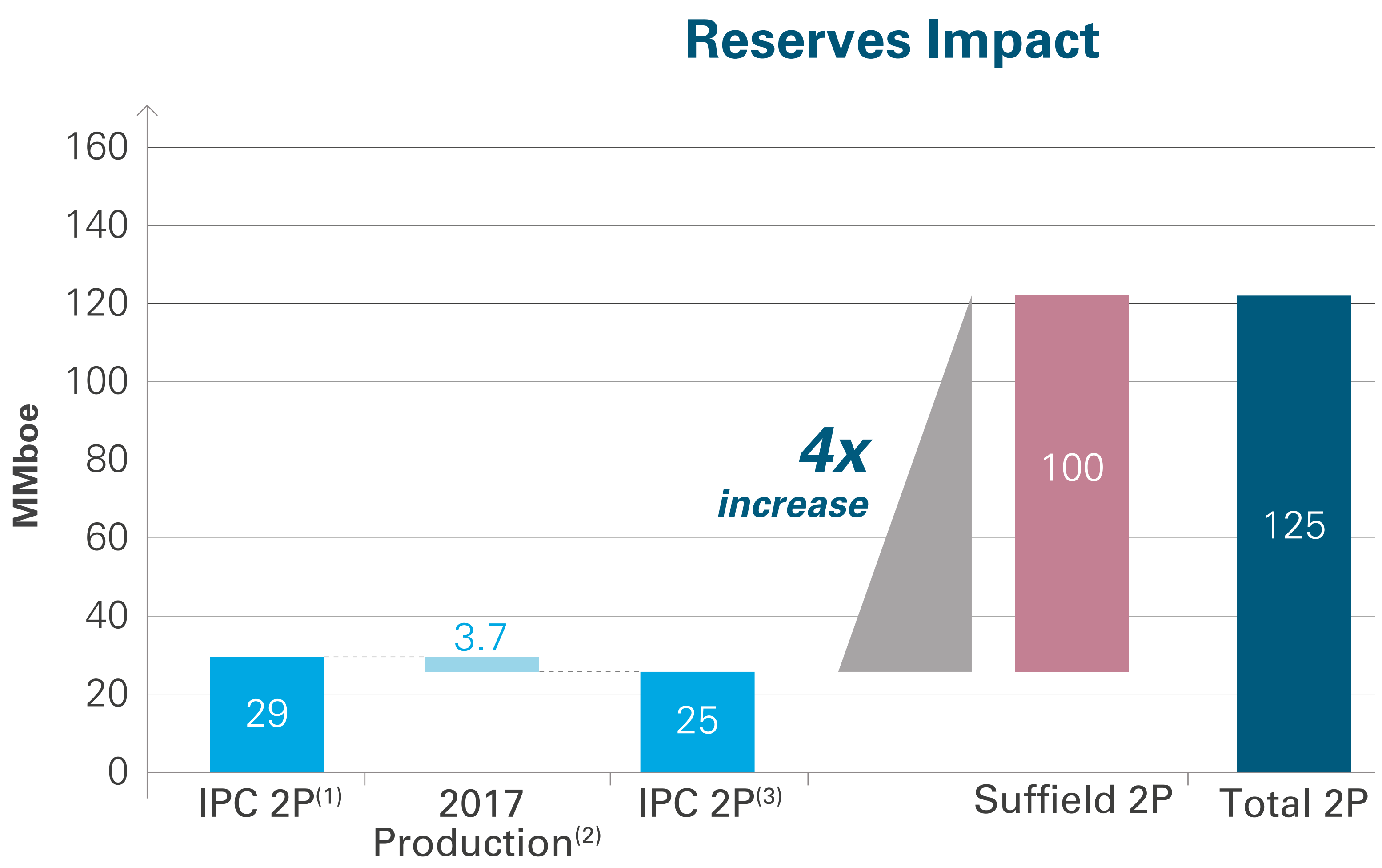
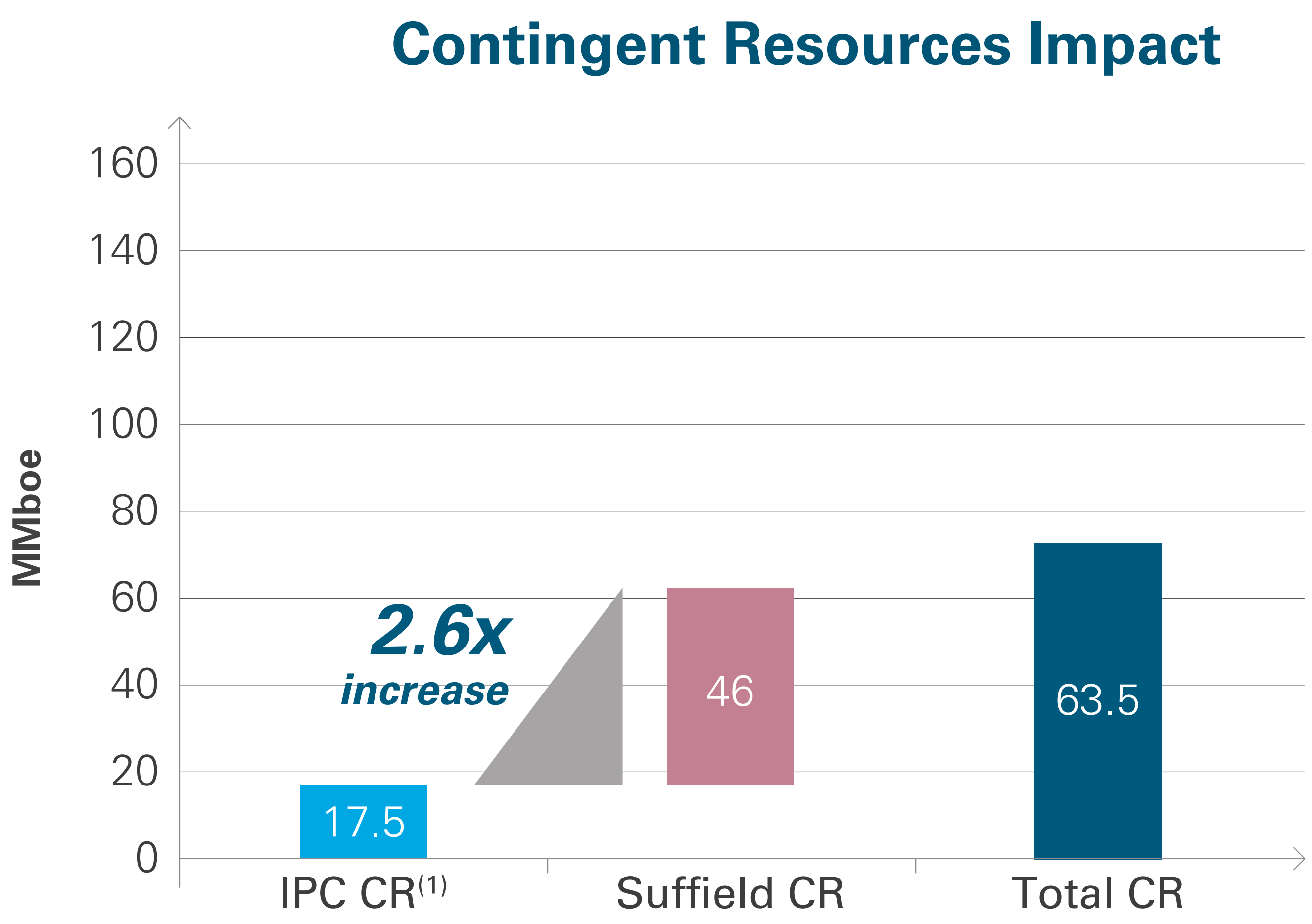
Reserves and Contingent Resources Impact

- **Material reserves and contingent resources increases**
- **~190 MMboe of reserves and contingent resources (3.4x increase)**
- **Reserves life index of 11.4 years for Suffield compared to 8.1 years IPC**





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1) as at 01/01/2017 2) Base upon midpoint Capital Markets Day 2017 guidance of 10,000 boepd 3) as at 01/01/2017 less 2017 production [(2)]

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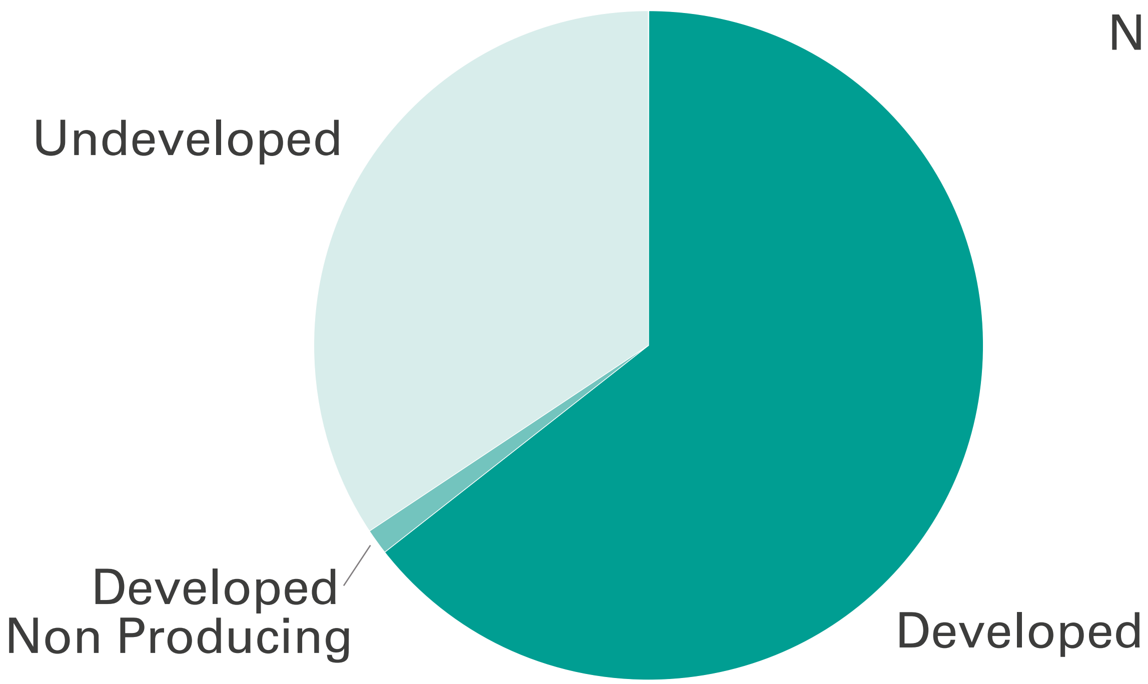
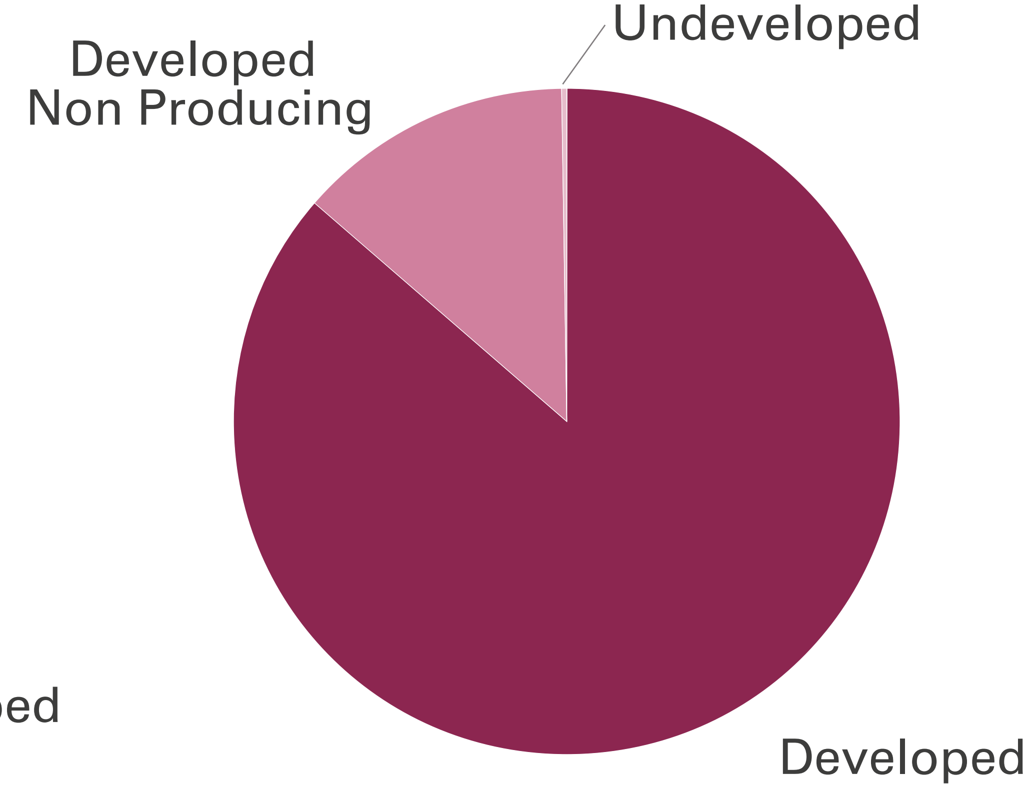
Reserves and Resources Distribution as at 31.12.2017

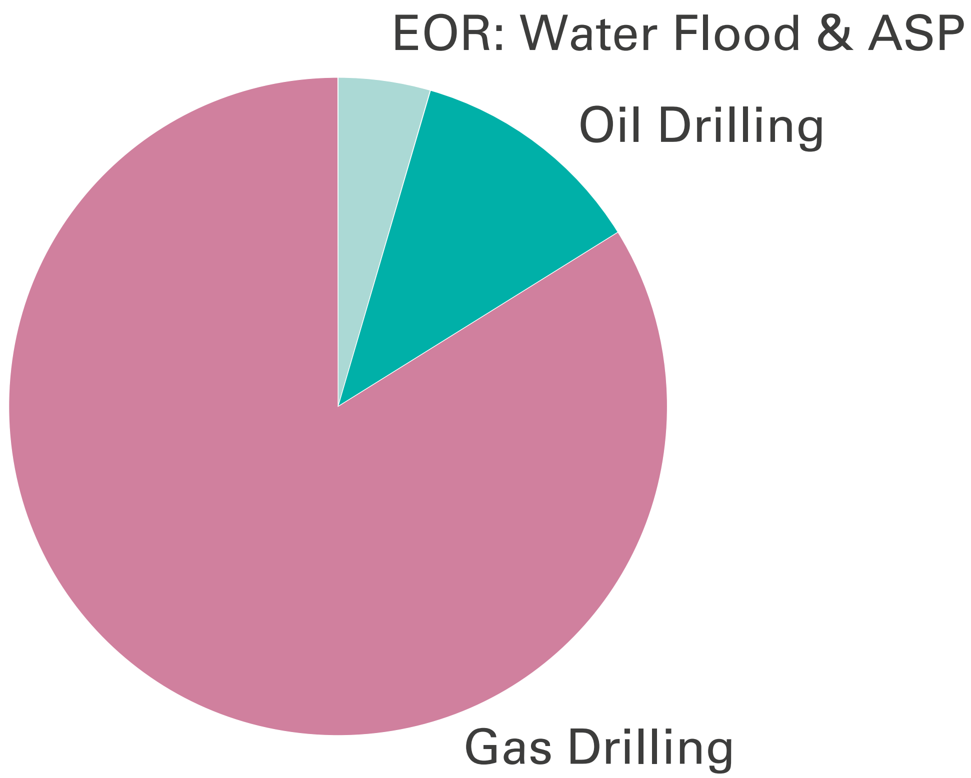
2P Oil Reserves
26.6 MMboe



2P Gas Reserves
73.0 MMboe



Unrisked Best Estimate
Contingent Resources
46.1 MMboe



- **64% of 2P oil reserves are developed producing**
- **44 undeveloped oil drilling locations**

- **86% of 2P gas reserves are developed producing**
- **Developed non-producing relates to optimisation programme**

- **2,540 shallow gas development locations**
- **118 oil development locations**

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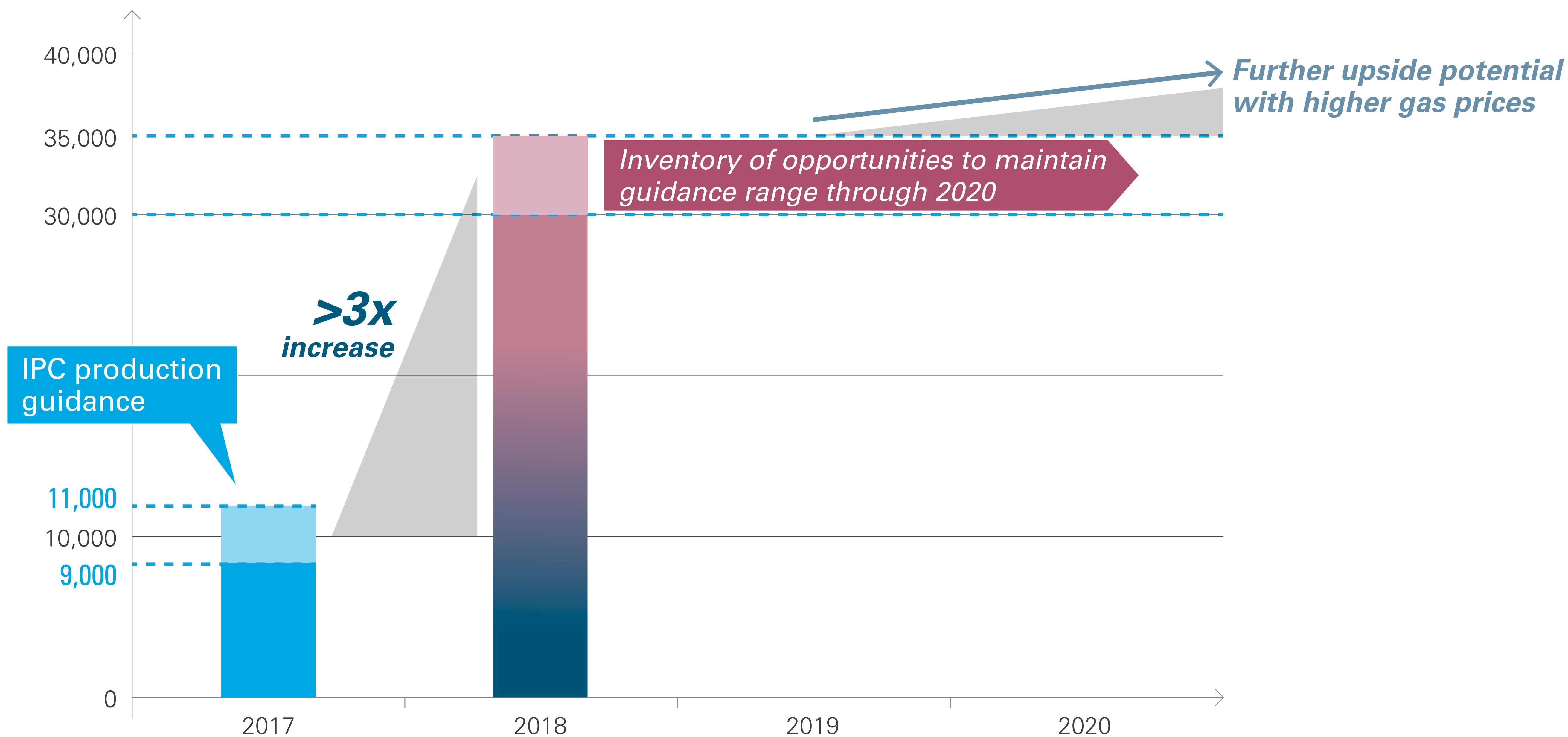
Production Outlook



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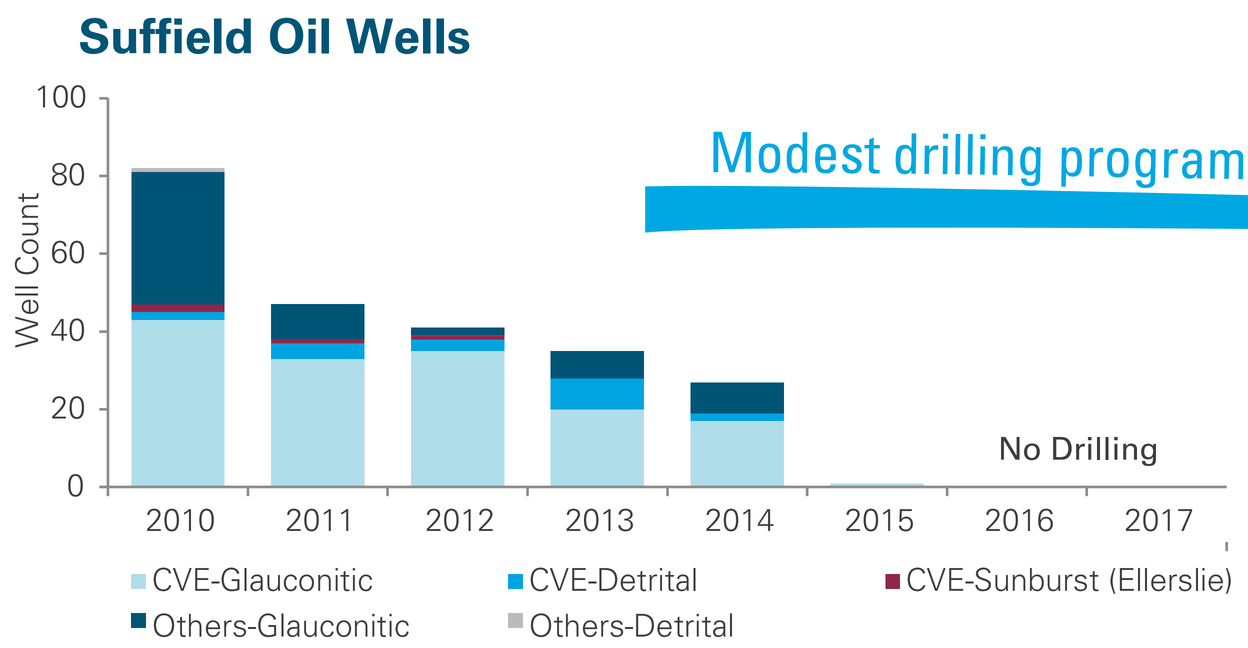
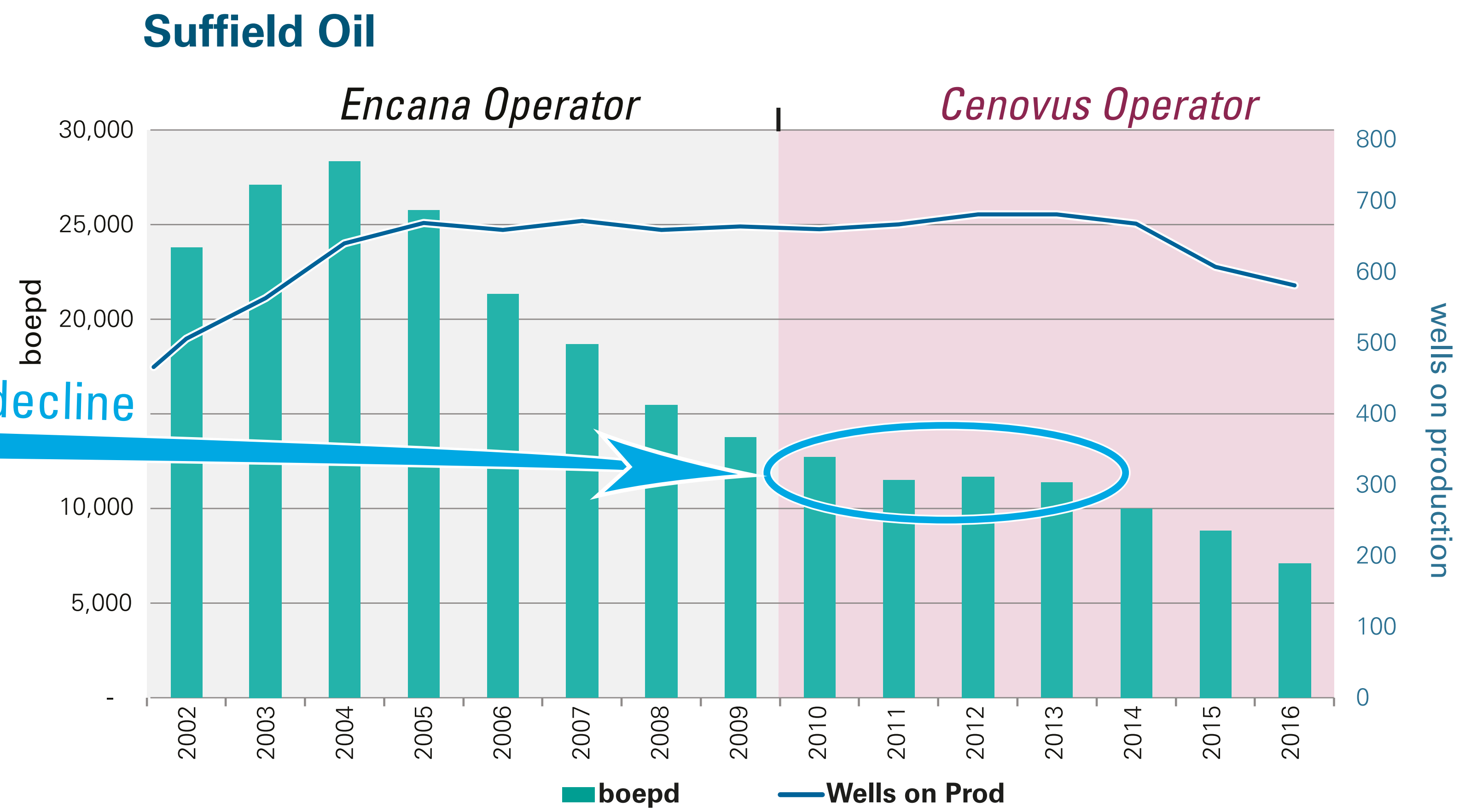
Suffield Acquisition Opportunity
Oil Production Performance

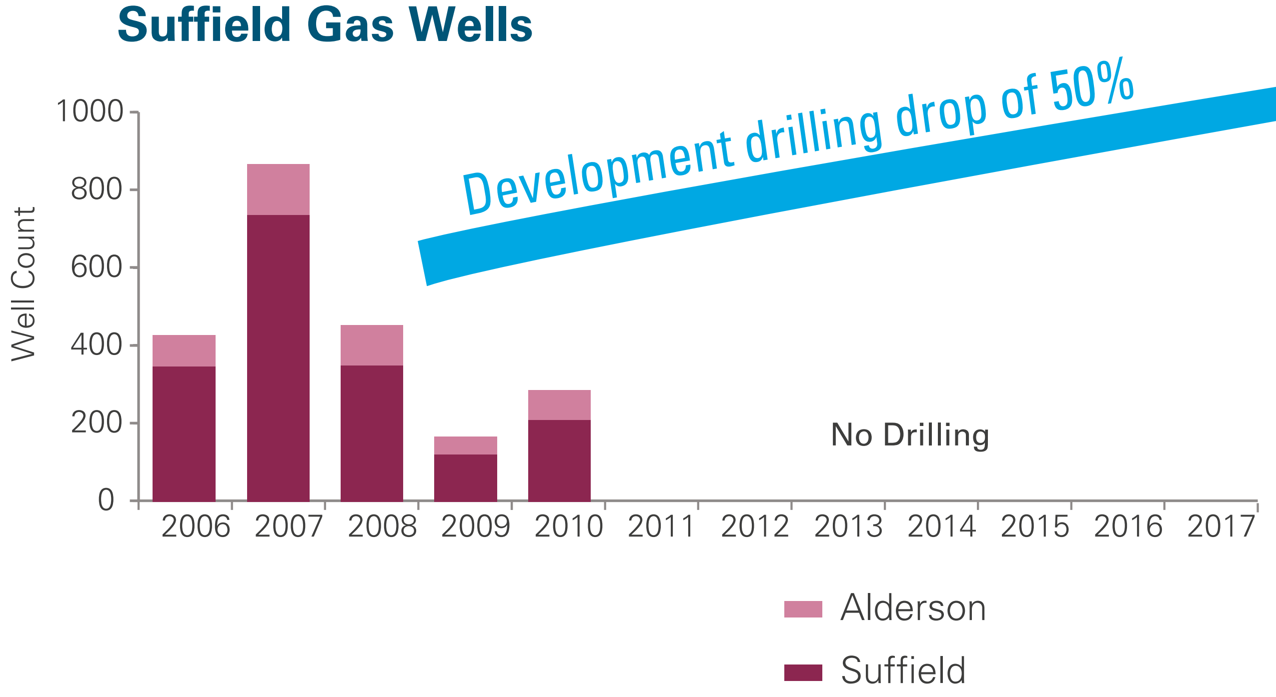
- **For past 12 years, Suffield oil development has been undercapitalised**
- **After the formation of Encana, oil development slowed due to company focus on gas development**
- **Since Cenovus ownership, Suffield drilling has remained low given corporate focus on oil sands growth**
- **Low production decline rate of ~10%**
- **Ability to arrest production decline by development investment**

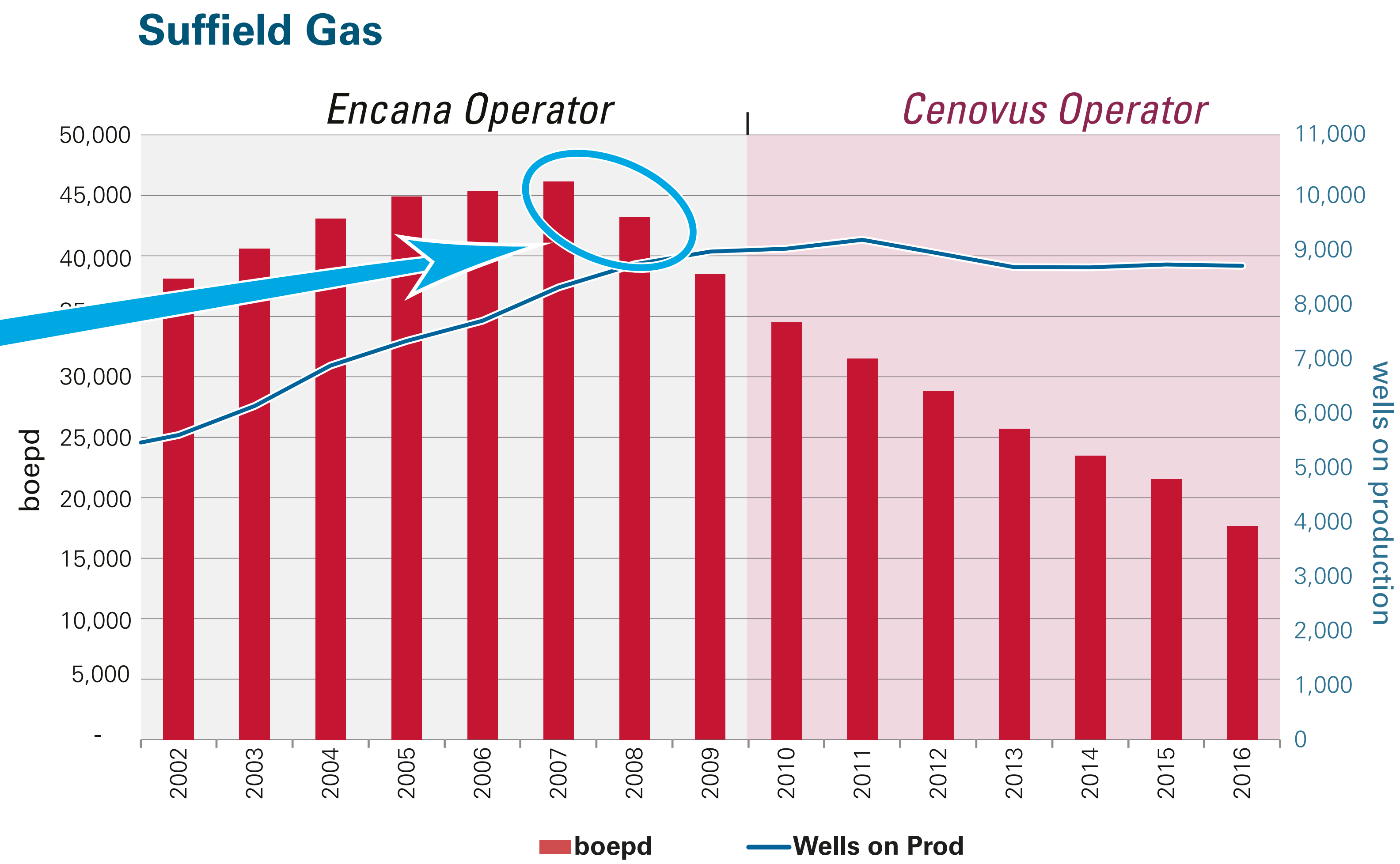




Suffield Acquisition Opportunity
Gas Production Performance

- **Suffield & Alderson gas development halved from 2007 to 2008 and ceased by 2010**
- **Historic peak provides excess capacity for future development**
- **Low production decline rate of ~10%**





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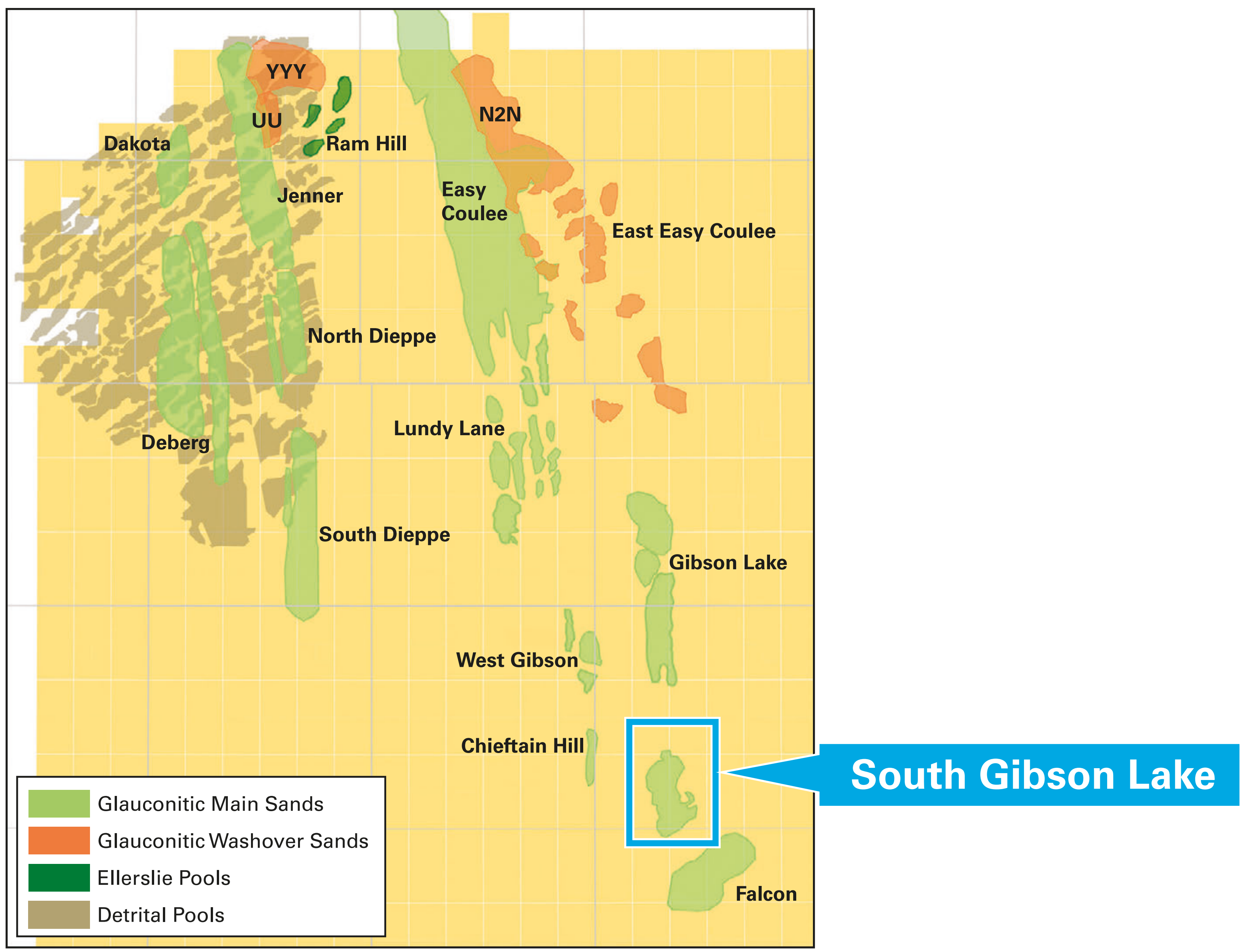
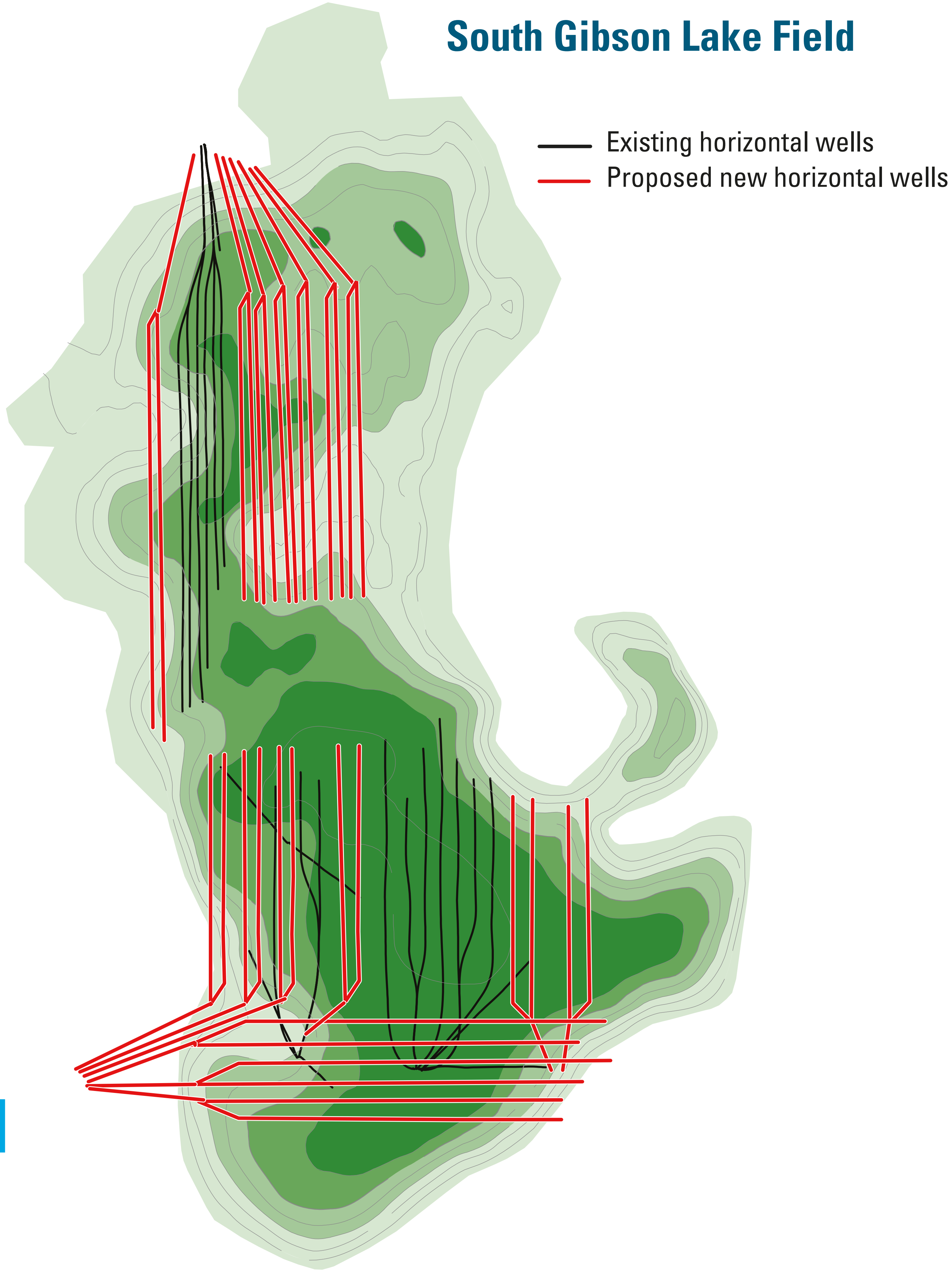
Oil Development Drilling Potential
South Gibson Lake Field Example

- Example of low risk infill and step-out drilling
- 44 drilling locations booked in 2P reserves





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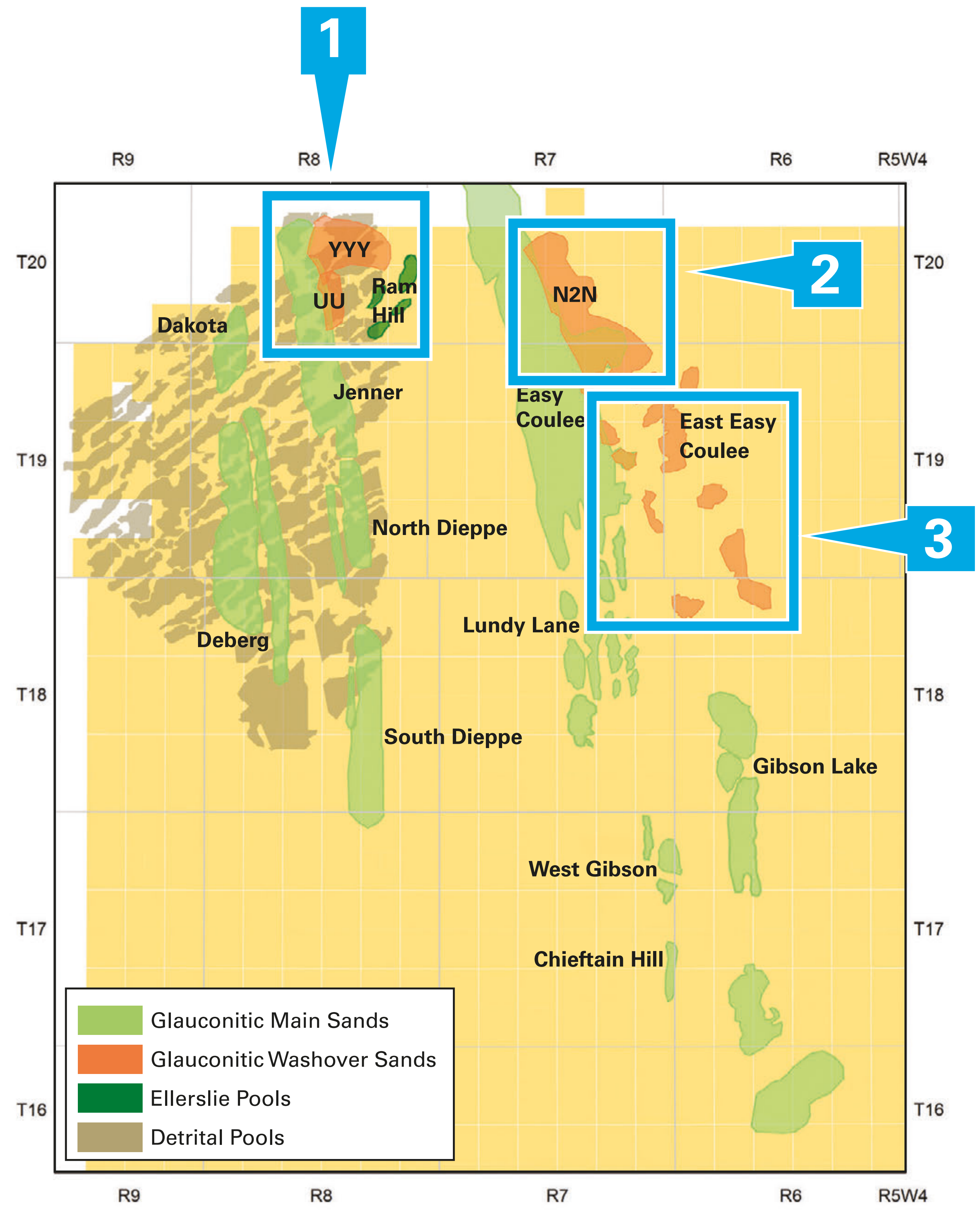
Enhanced Oil Recovery Potential
ASP Flooding

1 Process proven in YYY and UU pools

2 N2N expansion project ready for execution

- Facility construction nearly completed
- Only requires drilling and facility commissioning
- Full discretion on investment

3 Analogous pools to target after N2N



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People & Management

- **Highly experienced organisation transferring from Cenovus with local knowledge and operating capability**
  - Senior country management
  - Operational staff
  - Asset management experts
  - Corporate support functions at the option of IPC

- **Strong HSE culture**

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Financial Highlights

- **Cash consideration of CAD 512 million**
  - CAD 500 million at closing less working capital adjustments (closing target before year end 2017 subject to regulatory approvals)
  - CAD 12 million deferred payment, at end June 2018

- **Contingent consideration amounts in 2018 / 2019 up to maximum CAD 36 million**
  - Payable on a monthly basis, if monthly WTI average is between 55 to 60 USD/bbl
  - Payable on a monthly basis if Henry Hub average gas price is between 3.50 to 4.00 USD/MMBTU

- **Favourable acquisition metrics[1]**
  - 4.80 CAD/boe of 2P reserves or 4.00 USD/boe
  - 21,300 CAD/flowing boe

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1) Refer to transaction press release dated 25 September 2017

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Strong Financial Performance

- **Acquired assets generate strong Net Operating Income[1]: CAD 96 million in 2016 (26,000 boepd)**
  - CAD 319 million in 2014 for 32,500 boepd production showing high leverage to higher commodity prices
- **Low cost assets at < 10 CAD/boe production costs**
- **Low cost development drilling**
  - CAD 1 million for oil wells and CAD 0.2 million for gas wells drilled and completed
- **Favourable fiscal terms: Effective tax rate of ~23%**

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1) *Refer to transaction press release dated 25 September 2017*

Transaction Financing

- **Financing of the acquisition**
  - From internally generated cash flows
  - New credit facilities

- **Commitment from BMO Capital Markets**
  - CAD 325 million credit facilities in respect of Suffield assets
  - Reserves based lending facility increased to USD 200 million on existing IPC assets

- **Company financially strong**
  - IPC group leverage (net debt to EBITDA) is expected to remain below 2.5 times(1)

NO EQUITY DILUTION

1) Refer to transaction press release dated 25 September 2017

International Petroleum Corp.
Corporate Strategy

- **Deliver operational and HSE excellence**
  - Half year production exceeding midpoint guidance
  - 99% facility uptime on Bertam FPSO and good performance in France
  - No HSE incidents
- **Maintain financial resilience under low oil prices**
  - Net debt of 35.3 MUSD following completion of share purchase offer
  - Operating Cash Flow of 72.3 MUSD in first half 2017
- **Maximise the value of our resource base**
  - Additions of 17.5 MMboe contingent resources
  - Sanctions of additional 2 projects in first half 2017
- **Grow through M&A**

SUFFIELD ACQUISITION

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ADVISORIES

Forward-Looking Statements
This press release may contain statements and information which constitute "forward-looking information" (within the meaning of applicable securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including IPC's future performance, business prospects or opportunities. Actual results may differ materially from those expressed or implied by forward-looking statements. Forward-looking statements are expressly qualified by this cautionary statement. Forward-looking statements speak only as of the date of this press release, 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, 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" 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 the timing and ability of IPC to complete the Acquisition, the timing and ability of IPC to raise sufficient debt financing to finance the Acquisition, the significant future development potential of the acquired assets and the methods we intend to use to exploit that potential, 2017 forecast average daily oil, natural gas and barrels of oil equivalent production levels, management's business strategies, RLI estimates, our belief that the acquired assets have a strong leverage to commodity price upside, forecast tax rates, forecast 2017 production costs, forecast pro forma net debt to EBITDA levels at 2017 year end, the integration of the Suffield/Alderson-related operations and employees into IPC (including IPC's belief that such employees will continue with IPC following closing), the effectiveness of development drilling, well stimulation and EOR opportunities to increase production, the effectiveness of ASP flood expansion and estimated costs to drill and complete oil and gas wells on the acquired assets. 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 described exist in the quantities predicted or estimated and that the reserves 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 information is 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 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 state of the economy and the exploration and production business; the availability and cost of financing, labour and services; ability to market crude oil, natural gas and NGL successfully; and the completion of the Acquisition and the associated debt financings on the terms and timing contemplated.

Although IPC believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because IPC can give no assurances that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves 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, 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 including the Acquisition; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals, including the approvals required to complete the Acquisition; and changes in legislation, including but not limited to tax laws, royalties and environmental 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 IPC's most recently filed Management's Discussion and Analysis (See "Cautionary Statement Regarding Forward-Looking Information" therein) , Non-Offering Prospectus (See "Risk Factors" and "Forward-Looking Information" therein) and other reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or IPC's website (www.international-petroleum.com).

Non-GAAP Financial Measures
References are made in this press release to "net operating income" and "net debt to EBITDA", which are not generally accepted accounting measures under IFRS, do not have any standardized meaning prescribed by IFRS, and therefore may not be comparable with definitions that may be used by other entities. 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 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.

"Net Operating Income" is defined as total revenues less royalties and operating costs and is used to analyze the financial performance of IPC's oil and gas operations.

"Net Debt" is calculated as bank loans less cash and cash equivalents. "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. "Net Debt to EBITDA" is used to analyze the financial leverage of the Corporation.

Reserves and Resource Data
This news release contains references to estimates of gross 2P reserves and best estimate contingent resources attributed to the Suffield / Alderson assets. Gross reserves and contingent resources are the total working interest reserves before the deduction of any royalties and including any royalty interests receivable.

Reserves estimates and contingent resource estimates are based on the evaluation of the Suffield / Alderson assets as at September 1, 2017 prepared by McDaniel & Associates Consultants Ltd. (McDaniel), an independent qualified reserve evaluator, in accordance with NI 51-101 and the COGE Handbook, and using McDaniel's July 1, 2017 price forecasts. The volumes are reported from an economic reference date of December 31, 2017.

"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.

This news release contains certain oil and gas metrics which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included in this document to provide readers with additional measures to evaluate the Acquisition and the performance of the assets to be acquired, however, such measures are not reliable indicators of the future performance of such assets and the actual future performance may not compare to the performance of such assets in previous periods and therefore such metrics should not be unduly relied upon.

The reserve life index (RLI) is calculated by dividing the remaining proved plus probable reserves from December 31, 2017 by the projected 2017 average production rate.

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 continent 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.

The contingent resources reported in the press release 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 Company's control. There is uncertainty that it will be commercially viable to produce any portion of the contingent resources referred to in this press release.

The contingent resources disclosed in the press release 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 unclarified 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 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 in crude oil price risk as well as geologic and reservoir performance risk. The total contingent resources attributed to oil drilling is 5.4 mmboe of which 4.2 mmboe is in economic category and 1.2 mmboe is in sub-economic category.

The ASP expansion and waterflood 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 waterflood optimization projects is 2.1 mmboe and is classed in sub-economic category.

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf per 1 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.

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