International Petroleum Corp.

Press Release

May 6, 2020

International Petroleum Corporation First Quarter 2020 Financial Results and Corporate Update

International Petroleum Corporation (IPC or the Corporation) (TSX, Nasdaq Stockholm: IPCO) today released its financial and operating results and related management's discussion and analysis for the three months ended March 31, 2020.

Corporate Update

- In the April 2, 2020 press release, IPC revised its forecast 2020 net average production to be in the range of 30,000 to 45,000 barrels of oil equivalent (boe) per day (boepd), estimated operating costs for 2020 to be in the range of USD 12 to 13 per boe, and reductions in total forecast 2020 expenditure of between USD 125 and 190 million as compared to estimates announced at IPC's Capital Markets Day (CMD) in February 2020.
- Operational decisions that IPC has subsequently made allow it to revise the forecast 2020 expenditure reductions to between USD 175 and 190 million as compared to CMD estimates. This comprises USD 85 million in reduced capital and decommissioning expenditures and USD 90 to 105 million in reduced operating costs. As a result, IPC's forecast 2020 net average production guidance range is 30,000 to 37,000 boepd. IPC's estimated 2020 capital and decommissioning expenditures are USD 77 million and IPC's forecast 2020 operating costs are in the range of USD 140 to 155 million, resulting in estimated 2020 unit operating costs in the range of USD 12 to 13 per boe.
- Financial headroom under the current terms of IPC's existing and new credit facilities has increased to in excess of USD 100 million.
- Assuming average 2020 Brent oil prices of USD 25 per barrel and assuming Western Canadian Select (WCS) oil prices are at zero for the remainder of the year, IPC expects to utilize less than 40% of its existing financial headroom.
- In March 2020, IPC announced the completion of the acquisition of Granite Oil Corp. (the Granite Acquisition), comprising light oil proved plus probable reserves of 14.0 million barrels of oil equivalent (MMboe) and 6.2 MMboe of contingent resources (best estimate, unrisked) as at December 31, 2019.

Q1 2020 Financial and Operational Highlights

- Average net production of approximately 46,000 boepd for Q1 2020 (43% heavy crude oil, 20% light and medium crude oil and 37% natural gas).
- First quarter 2020 operating costs per boe of USD 12.5, slightly ahead of Q1 2020 guidance.
- In connection with IPC's revised 2020 business plan, operational activities and capital expenditures have been reduced, deferred or cancelled in each region in response to the low oil price environment.

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USD Thousands	Three months ended March 31 2020	2019
Revenue	80,536	147,420
Gross profit	(12,436)	46,885
Net result	(40,069)	33,142
Operating cash flow	21,481	83,056
Free cash flow	(42,712)	52,064
EBITDA	19,009	81,675
Net Debt	302,473	256,962

- Net debt increased from USD 291 million as at December 31, 2019 (including the cost of the Granite Acquisition) to USD 302.5 million as at March 31, 2020.
- Operating cash flow generation for Q1 2020 amounted to USD 21.5 million, below the original CMD guidance as a result of the weakness in commodity prices towards the end of Q1 2020. This coincided with two cargo liftings in Malaysia in March 2020 when Brent prices averaged USD 32 per bbl and the falling commodity prices also impacted the revenues in France where pricing is based on one month forward Brent prices.
- Under the previously announced share repurchase program, IPC repurchased for USD 17.6 million and cancelled approximately 4.4 million IPC shares during Q1 2020, in addition to the 3.9 million IPC shares cancelled in 2019. In order to conserve liquidity, IPC has suspended further share repurchases under the program.

Mike Nicholson, IPC's Chief Executive Officer, commented,

"Given the extraordinary market situation that the oil and gas business is facing in response to the global Covid-19 outbreak, the resulting collapse in world oil demand, and the initial breakdown in co-operation among the OPEC+ group in dealing with the supply challenge, we have witnessed an unprecedented level of volatility and commodity price weakness during 2020. As a result of this, IPC announced on April 2, 2020 that we are taking decisive action to reset our 2020 expenditure plans in order to maximize the financial flexibility of the Corporation.

Since that announcement, we have seen encouraging steps taken by OPEC+, G20 nations and oil producers that we are confident should remove significant supply, helping to deal with the massive demand destruction that we have witnessed as well as the inevitable inventory build. We expect that these actions should flatten the curve of inventory builds and set a course to rebalance markets in the second half of 2020 and into 2021. Clearly though, the magnitude and pace of the recovery in oil demand will be critical in reducing the uncertainty around when oil prices will recover.

Reset of 2020 CMD Business Plan

Given that IPC operates the majority of our assets, IPC has the financial and operational flexibility to react swiftly to recent events and to positively prepare the Corporation to navigate through this period of extremely low commodity prices. All remaining discretionary 2020 expenditures have been deferred or cancelled and we have built into our forecast production range the temporary curtailment of production from those fields that are not expected to generate positive cash flows at these low pricing levels. These production curtailments relate to a portion of our oil production. Our Canadian gas production is not curtailed as we currently forecast positive cash flows.

In our April 2, 2020 announcement, we revised our forecast 2020 net average production to be in the range of 30,000 to 45,000 boepd, estimated operating costs for 2020 to be in the range of USD 12 to 13 per boe, and reductions in total forecast 2020 expenditure of between USD 125 and 190 million as compared to 2020 CMD estimates.

Operational decisions that we have subsequently made allow us to revise our forecast 2020 expenditure reductions to between USD 175 and 190 million as compared to CMD estimates. This comprises USD 85 million in reduced capital and decommissioning expenditures and USD 90 to 105 million in reduced operating costs. As a result, our forecast 2020 net average production guidance range is 30,000 to 37,000 boepd. IPC's estimated 2020 capital and decommissioning expenditures are USD 77 million and IPC's forecast 2020 operating costs are in the range of USD 140 to 155 million, resulting in estimated 2020 unit operating costs in the range of USD 12 to 13 per boe. The upper end of our revised production guidance assumes that the curtailments in Canada to the end of June 2020 continue through to the end of the year, with the lower end of the range assuming full curtailment of our Canadian oil production in the second half of 2020. We retain the flexibility to ramp production back up during the second half of 2020 should market conditions improve.

Maximizing Financial Flexibility

Having reset our 2020 business plan, we have also been very active in engaging with our banks to ensure that we can maximize our financial flexibility. As at the end of the first quarter 2020, we had available liquidity headroom of around USD 90 million under our existing international and Canadian credit facilities. We commenced discussions with our international banking partners to potentially extend the maturity of and increase our existing reserves-based lending (RBL) credit facility as we do not believe that this was fully maximized under previous conditions. In parallel, we have been exploring IPC's ability to access some of the special financial assistance packages being offered by the government authorities in France.

I am very pleased to report a positive outcome on the latter. We have been able to secure a EUR 13 million credit facility from a French financial institution under this program. The credit facility has an initial term of 12 months and is extendable by IPC for up to a further five years. The credit facility is unsecured and is on less expensive terms than IPC's existing credit facilities.

In Canada, we have also commenced discussions with our banking partners. Our primary Canadian RBL facility is currently sized at CAD 375 million and we have drawn CAD 297 million at the end of the first quarter. Whilst our RBL redetermination discussions are not expected to be completed until later in Q2 2020, we have been encouraged by the financial support package that has been announced by the Canadian Federal Government, through Export Development Canada (EDC). This program aims to support the oil and gas sector by maintaining liquidity during the crisis, through the form of guarantees provided by EDC in respect of RBL facilities. Our CAD 42.5 million facility assumed as part of the Granite Acquisition is not up for review until the year end. This is currently drawn at CAD 40 million.

In addition, IPC has the benefit of a hedging program in Canada in place through to the end of June 2020, that is expected to provide a minimum average realized WCS price of approximately USD 16 per bbl on our curtailed oil production levels in Canada during Q2 2020.

We retain access to financial headroom under the current terms of our existing and new credit facilities available to us in excess of USD 100 million. Taken together with our operational choices and updated hedging program, we expect to be able to fully fund our revised 2020 expenditure program from cash flows and current borrowing capacity. Assuming average 2020 Brent oil prices of USD 25 per barrel and assuming WCS oil prices are at zero for the remainder of the year, we expect to utilize less than 40% of our existing liquidity headroom. This demonstrates the financial resilience of IPC to respond to sustained low oil prices.

Q1 2020 Performance

During Q1 2020, our assets delivered average daily net production of 46,000 boepd, in line with our original CMD Q1 2020 guidance. Our operating costs per boe for Q1 2020 was USD 12.5, slightly below our original CMD Q1 2020 guidance.

Operating cash flow generation for the first quarter amounted to USD 21.5 million, below our original CMD guidance as a result of the weakness in commodity prices towards the end of Q1 2020. This coincided with two cargo liftings in Malaysia in March 2020 when Brent prices averaged USD 32 per bbl and the falling commodity prices also impacted the revenues in France where pricing is based on one month forward Brent prices.

Capital expenditure during Q1 2020 of USD 56 million was around USD 6 million below forecast as we began implementation of our expenditure reduction program.

Net debt increased from the 2019 year end level of USD 291 million (including the cost of the Granite Acquisition) to USD 302.5 million as at March 31, 2020 which also includes the funding of USD 17 million of share repurchases under the share repurchase program in Q1 2020."

International Petroleum Corp. (IPC) is an international oil and gas exploration and production company with a high quality portfolio of assets located in Canada, Malaysia and France, providing a solid foundation for organic and inorganic growth. IPC is a member of the Lundin Group of Companies. IPC is incorporated in Canada and IPC's shares are listed on the Toronto Stock Exchange (TSX) and the Nasdaq Stockholm exchange under the symbol "IPCO".

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This information is information that International Petroleum Corporation is required to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the contact persons set out above, at 07:30 CET on May 6, 2020. The Corporation's unaudited interim condensed consolidated financial statements (Financial Statements) and management's discussion and analysis (MD&A) for the three months ended March 31, 2020 have been filed on SEDAR (www.sedar.com) and are also available on the Corporation's website (www.international-petroleum.com).

Forward-Looking Statements

This press release 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 press release 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.

The Covid-19 virus and the restrictions and disruptions related to it, as well as the actions of certain oil and gas producing nations, have had a drastic adverse effect in 2020 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, including the Corporation's common shares. 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 press release, 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 Covid-19 outbreak and reduction in commodity prices;
- the expectation that recent actions will assist in reducing inventory builds and in rebalancing markets, including supply and demand for oil and gas;
- 2020 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 ability to reduce expenditures to forecast levels;
- IPC's financial and operational flexibility to react to recent events and to prepare the Corporation to navigate through periods of low commodity prices;
- IPC's ability to defer or cancel expenditures and to curtail production, and to resume such production to expected levels following curtailment;
- IPC's continued access to its existing credit facilities, including current financial headroom, on terms acceptable to the Corporation;
- IPC's ability to extend and maintain the maturity of and increase the international RBL and to redetermine and maintain the Canadian RBL, including accessing the EDC guarantees, on terms acceptable to the Corporation;
- the ability to fully fund 2020 expenditures from cash flows and current borrowing capacity;
- IPC's flexibility to remain within existing financial headroom;
- IPC's ability to maintain operations, production and business in light of the Covid-19 outbreak 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 operations, including future oil drilling and gas optimization programs, the ability to offset natural declines and the N2N EOR development project;
- further conventional oil drilling in Canada, including the ability of such drilling to identify further drilling or development opportunities;
- development of the Blackrod project in Canada;
- the results of the facility optimization program, the work to debottleneck the facilities and injection capability and the F-Pad production, as well as water intake and steam generation issues, at Onion Lake Thermal;
- addition of another drilling pad at Onion Lake Thermal and the production resulting from such pad;
- the ability of IPC to achieve and maintain current and forecast production and take advantage of production growth and development upside opportunities related to the oil and gas assets acquired in the Granite Acquisition;
- the ability of existing infrastructure acquired in the Granite Acquisition to enable EOR projects, as well as capacity to allow for potential further field development opportunities;
- the timing and success of the Villeperdue West development project, including drilling and related production rates as well as future phases of the Vert La Gravelle redevelopment project, and other organic growth opportunities in France;
- future development potential of Triassic reservoirs in France and the ability to maintain current and forecast production in France;

- the ability of IPC to achieve and maintain current and forecast production in Malaysia and the ability to identify, mature and drill additional infill drilling locations;
- the success and timing of further remedial works in respect of the A-15 well in Malaysia;
- the ability to IPC to acquire further common shares under the share repurchase program, including the timing of any such purchases;
- the return of value to IPC's shareholders as a result of the share repurchase program;
- estimates of reserves;
- estimates of contingent 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" 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, labor 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, including those experienced in 2020;
- exchange rate and 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.

Additional information on these and other factors that could affect IPC, or its operations or financial results, are included in the Financial Statements and MD&A for the three months ended March 31, 2020 (See "Cautionary Statement Regarding Forward-Looking Information"), the Corporation's press release of April 2, 2020, the Corporation's Annual Information Form (AIF) for the year ended December 31, 2019 (See "Cautionary Statement Regarding Forward-Looking Information", "Reserves and Resources Advisory" and "Risk Factors") 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) or IPC's website (www.international-petroleum.com).

Non-IFRS Measures

References are made in this press release to "operating cash flow" (OCF), "free cash flow" (FCF), "Earnings Before Interest, Tax, Depreciation and Amortization" (EBITDA), "operating costs" and "net debt", 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).

Disclosure of Oil and Gas Information

This press release 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 (including oil and gas assets acquired in the Granite Acquisition) are effective as of December 31, 2019, 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, 2019 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, 2019, 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, 2019 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, 2019 and may not be reflective of current and future forecast commodity prices.

2P reserves as at December 31, 2019 of 300 MMboe includes 286.2 MMboe attributable to IPC's oil and gas assets and 14.0 MMboe attributable to oil and gas assets acquired in the Granite Acquisition. Contingent resources (best estimate, unrisked) as at December 31, 2019 of 1,089 MMboe includes 1,082.5 MMboe attributable to IPC's oil and gas assets and 6.2 MMboe attributable to oil and gas assets acquired in the Granite Acquisition. The reserve life index (RLI) is calculated by dividing the 2P reserves of 300 MMboe as at December 31, 2019 (including the 2P reserves attributable to oil and gas assets acquired in the Granite Acquisition), by the mid-point of the 2020 CMD production guidance of 46,000 to 50,000 boepd.

The product types comprising the 2P reserves described in this press release are contained in the AIF. Light, medium and heavy crude oil reserves/resources disclosed in this press release include solution gas and other by-products.

Light, medium and heavy crude oil reserves/resources disclosed in this press release 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 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 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 contingencies 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 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 this 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 Corporation'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. 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 and may also be aggregated by IPC with the 2P reserves and contingent resources attributable to the oil and gas assets acquired in the Granite Acquisition included in the reports prepared by Sproule on behalf of 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 press release 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 press release 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.

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.

Currency

All dollar amounts in this press release 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.