Capital Markets Day 2019
February 12, 2019
International Petroleum Corp.

Agenda

February 12, 2019

1. Introduction ........................................ Mike Nicholson
2. 2018 Operations Review
3. 2019 Overview ................................... Daniel Fitzgerald
4. Asset Overview
   4a. Canada ........................................ Chris Hogue
   4b. Malaysia ....................................... Daniel Fitzgerald
   4c. France .........................................

 Q&A .................................................. All

Break

5. Financial Overview ............................... Christophe Nerguararian
6. Reserves Valuation .............................. Rebecca Gordon
7. Closing Remarks ................................. Mike Nicholson

 Q&A .................................................. All
1. Introduction

Mike Nicholson

CMD, February 12, 2019
International Petroleum Corp.

Corporate Strategy

- Deliver operational excellence
- Maintain financial resilience
- Maximise the value of our resource base
- Grow through M&A
International Petroleum Corp.  
2018 Highlights

| Production Guidance | - Full year average production exceeds high case CMD guidance at 34,400 boepd |
| Operating Costs(1)   | - Operating costs of 12.4 USD/boe, below 2018 guidance of 12.6 USD/boe |
| Organic Growth       | - Capital expenditure of 39 MUSD (revised guidance 44 MUSD) |
| Operating Cash Flow(1)| - Operating cash flow of 279 MUSD |
|                      | - Net debt down from 355 to 166 MUSD since Suffield acquisition (January 5, 2018)(1,3) |
|                      | - Year end net debt 277 MUSD(4) |
| Reserves and Resources(2) | - >100% reserves replacement ratio excluding acquisitions |
|                      | - Reserves increase across all countries |
|                      | - >2x increase to 288 MMboe of 2P reserves and >1.1 billion boe of 2P+2C resources |
| Acquisition & Divestment | - Highly value accretive acquisition of BlackPearl completed |
|                      | - Disposal of Netherlands assets completed -> 25 MUSD gain on sale |
| HSE                  | - No material incidents |

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1) Non-IFRS measure, see Reader Advisory and MD&A  
2) As at December 31, 2018, see Reader Advisory and MCR  
3) Excluding net debt acquired as part of BlackPearl acquisition  
4) Including net debt acquired as part of BlackPearl acquisition
### 2019 Highlights

<table>
<thead>
<tr>
<th>Production Guidance</th>
<th>Operating Costs(1)</th>
<th>Capital Programme</th>
<th>Further Organic Growth Potential</th>
<th>Operating Cash Flow(1)</th>
<th>Liquidity</th>
<th>Value Uplift</th>
<th>Business Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 2019 guidance: <strong>46,000 to 50,000</strong> boepd</td>
<td>- Operating costs forecast of <strong>&lt;13 USD/boe</strong></td>
<td>- Capital expenditure forecast of <strong>146 to 166</strong> MUSD</td>
<td>- Maturing further infill opportunities in Malaysia</td>
<td>- OCF forecast of <strong>190 to 330</strong> MUSD(2)</td>
<td>- Capital programme fully funded from cash flow(3)</td>
<td>- <strong>37</strong> percent increase in NAV per share to USD 12.40</td>
<td>- Opportunistic approach to further acquisitions</td>
</tr>
<tr>
<td>- 2019 forecast exit rate <strong>&gt;50,000</strong> boepd</td>
<td></td>
<td>- Infill wells and Keruing exploration well in Malaysia</td>
<td>- Suffield N2N EOR project maturation to investment decision</td>
<td></td>
<td>- &gt;150 MUSD of spare liquidity headroom(4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Production growth targeted in all countries</td>
<td></td>
<td>- Vert-La-Gravelle project in France</td>
<td>- Option to expand conventional drilling in Canada</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- Oil drilling and gas optimisation in Suffield</td>
<td>- Villeperdue West maturation to investment decision</td>
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</tbody>
</table>

1) Non-IFRS measure, see Reader Advisory and MD&A  
2) From 50 to 70 USD/bbl Brent oil price, 15 USD/bbl WTI-WCS differential  
3) At 60 USD/bbl Brent, 20 USD/bbl WTI-WCS differential  
4) Assuming availability of current credit facilities
International Petroleum Corp.  
Resource Growth

- >100% reserves replacement in 2018
- More than doubled 2P reserves to 288 MMboe (1)
- Increased reserves life index (RLI) from 11 to 16 years (1)
- More than 13x increase in Contingent Resource base (1)

Net Reserves and Contingent Resources  
>1.1 bn boe

(1) As at December 31, 2018. See Reader Advisory and MCR
Production guidance of 46,000 to 50,000 boepd

> 50,000 boepd exit rate forecast
International Petroleum Corp.
Production and Reserves per Share

Production per share (boepd/million shares)

Reserves per share (boe/share)

1) Assumes 87,921,846 outstanding IPC shares
2) Assumes 163,720,065 outstanding IPC shares
3) At mid point of 2019 production guidance
International Petroleum Corp.
Operating Cash Flow (MUSD)(1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Guidance(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>138</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>265</td>
<td>306</td>
</tr>
<tr>
<td>2019</td>
<td>279(2)</td>
<td>332</td>
</tr>
</tbody>
</table>

WTI-WCS differential

- 20 USD/bbl
- 60 USD/bbl
- 50 USD/bbl

1) Non-IFRS measure, see Reader Advisory and MD&A
2) Including OCF related to Netherlands assets disposed in December 2018
3) At mid-point of 2019 production guidance
International Petroleum Corp.

Organic Growth

- 2019 capital expenditure range of 146 to 166 MUSD
- Flexibility to increase or decrease based on commodity prices
- Targeting growth in all countries

**Canada**
- **Blackrod** Third well pair
- **Onion Lake** Facility optimisation
- **Suffield** Conventional drilling Gas optimisation

**Malaysia – Bertam**
- **Keruing exploration**
- **Infill Opportunities**

**France – Paris Basin**
- **Villeperdue West** Maturation to investment decision
- **Vert-La-Gravelle** Phase I execution
International Petroleum Corp.
Canadian Macro Supply and Pipeline Egress

- December announcement of 325 Mbopd (8.7%) production curtailment in Alberta
  - Reduced to 250 Mbopd for February and March
- Impacts companies producing >10 Mbopd in Alberta: IPC not affected
- Call on rail falls to ~190 Mbopd in 2019 and ~40 Mbopd in 2020
- Markets more balanced in 2019 and 2020

**Western Canada oil supply vs. pipeline Egress**

- Alberta production curtailments announced

Source: GMP FirstEnergy, CAPP, Alberta Energy Regulator, Company disclosure, as at December 2018
International Petroleum Corp.

Net Asset Value (MUSD)\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Debt(^{(2)})</th>
<th>NAV(^{(1)})</th>
<th>IPCO Market Cap(^{(3)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2018</td>
<td>2019(^{(1)})</td>
<td>With YE 2017 Pricing</td>
</tr>
<tr>
<td>543</td>
<td>1,151</td>
<td>2,314</td>
<td>With YE 2017 Pricing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>526</td>
<td>~70% discount to NAV</td>
</tr>
<tr>
<td></td>
<td></td>
<td>514</td>
<td></td>
</tr>
<tr>
<td>1,151</td>
<td>526</td>
<td>2,037</td>
<td></td>
</tr>
<tr>
<td></td>
<td>514</td>
<td>166</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>111</td>
<td></td>
</tr>
<tr>
<td>2,037</td>
<td>166</td>
<td>111</td>
<td></td>
</tr>
<tr>
<td>590</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) As at December 31, 2018, see Reader Advisory and MCR
2) Non-IFRS measure, see Reader Advisory and MD&A. As at December 31, 2018
3) Based on the closing price of IPC shares as at February 8, 2019, converted to USD (SEK 32.95; SEK/USD 9.1)
International Petroleum Corp.

Net Asset Value Per Share

1) See Reader Advisory, MD&A and Press Release of February 12, 2019

~70% discount to NAV

~26% discount to NAV

Additional gas optimisation in Canada approved
Commenced Suffield oil drilling
BlackPearl acquisition completed
Production curtailment announced
Malaysian Infill wells online
Infill drilling starts in Malaysia
Suffield acquisition completed
France 3D seismic completed
Suffield acquisition announced
Malaysia infills and France 3D seismic announced
25.5 M shares purchased and cancelled at 3.53 USD/share
Listing
17.5 MMboe CR announced
France 3D seismic completed
10/01/18 USD 9.1
+37%
+89%
01/01/17 USD 4.8
~26% discount to NAV
01/01/19 USD 12.4
~70% discount to NAV

IPC CMD 2019

MD&A and Press Release of February 12, 2019
2. **2018 Operations Review**

Daniel Fitzgerald
International Petroleum Corp.

**2018 Production**

- **Production above 2018 CMD high case at 34,400 boepd**
  - Bertam infill well performance
  - Canada gas optimisation results

- **2018 operating costs per boe below guidance at 12.4 USD/boe** (CMD guidance 12.6 USD/boe)

- **HSE -> No major incidents in 2018**

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**2018 Net Production**

<table>
<thead>
<tr>
<th></th>
<th>Original Guidance</th>
<th>Revised Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Year</td>
<td>34.4</td>
<td>34.6</td>
</tr>
<tr>
<td>Q1</td>
<td>32.9</td>
<td>32.9</td>
</tr>
<tr>
<td>Q2</td>
<td>34.9</td>
<td>34.9</td>
</tr>
<tr>
<td>Q3</td>
<td>35.2</td>
<td>35.2</td>
</tr>
<tr>
<td>Q4</td>
<td>34.6</td>
<td>34.6</td>
</tr>
</tbody>
</table>

1) Non-IFRS measure, see Reader Advisory and MD&A
International Petroleum Corp.

2018 Net Capital Expenditure

- **2018 capital expenditure: 39 MUSD (original guidance 32 MUSD)**
  - Additional organic growth sanctioned during 2018

- **Successful capital programme executed in 2018**
  - Malaysia: A16 and A17 infills
  - Canada: oil drilling and gas optimisation
  - France: preparations for 2019 activity

**CAPEX Movements 2018**

<table>
<thead>
<tr>
<th>Country</th>
<th>CAPEX (MUSD)</th>
<th>Detailed CAPEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>15.7</td>
<td>Infill wells (carryover from 2017)</td>
</tr>
<tr>
<td>Canada</td>
<td>15.0</td>
<td>Oil drilling, Maintenance capital, Gas optimisation</td>
</tr>
<tr>
<td>France</td>
<td>6.9</td>
<td>Paris Basin, Vert-La-Gravelle preparation, Well reactivations, Maintenance capital</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1.4</td>
<td>Well workovers, Facility modifications</td>
</tr>
</tbody>
</table>

2018 CMD guidance in brackets
4. **2019 Overview**

Daniel Fitzgerald
International Petroleum Corp.

Track Record of Reserves Growth

- Proven track record of reserves increases through organic growth

- 103% reserves replacement ratio in 2018\(^{(1)}\)
  - 174% in France  ⇒ Villeperdue reservoir performance upgrade and Villeperdue West project
  - 109% in Malaysia  ⇒ Addition of 3 infill wells and reservoir performance upgrade
  - 98% in Canada - Suffield  ⇒ Gas optimisation performance

- Year on year reserve increases in all countries

\(^{(1)}\) See Reader Advisory and MCR
International Petroleum Corp.
Production Growth in All Countries

- 2019 focus on organic growth

- Production forecast to increase in all countries with declines arrested

- 2019 forecast exit rate > 50,000 boepd
International Petroleum Corp.
Production Guidance

- **Production guidance for 2019**: 46,000 to 50,000 boepd net
- **Production growth targeted in all countries**
  - Suffield gas optimisation and oil drilling
  - Onion Lake ramp up
  - Malaysia infill wells
  - France Vert-La-Gravelle project

![Production Guidance Diagram](image-url)

- **2019 Production Guidance**: 46,000 to 50,000 boepd net
- **Forecast exit rate**: >50,000 boepd

![Production Growth Chart](image-url)
International Petroleum Corp.

Operating Costs\(^{(1)}\)

- **2019 full year operating costs forecast at 12.9 USD/boe**
  - Includes production optimisation, workovers and maintenance provisions

Net Unit Operating Costs (USD/boe)

2019 Guidance

\(^{(1)}\) Non-IFRS measure, see Reader Advisory and MD&A

OPEX shown is net of self to self lease payments
**International Petroleum Corp.**

**Development Capital Expenditure (net)**

- **2019 Guidance: 120 to 140 MUSD**
  - Opportunity to ramp up or down depending on commodity pricing
  - Strong economic returns and production additions at current pricing
  - Over 99% of capital in operated assets

**2019 Capital Allocation\(^{(1)}\)**

- **France, 30%**
  - 39 MUSD
  - Paris Basin
  - Vert-La-Gravelle Phase I execution
  - Villeperdue West preparations
  - Maintenance capital

- **Canada, 42%**
  - 43 to 63 MUSD
  - Suffield
    - Oil drilling
    - Gas recompletions
  - Onion Lake Thermal
    - Facilities optimisation
    - Sustaining well preparations

- **Malaysia, 28%**
  - 38 MUSD
  - 3 Infill wells

\(^{(1)}\) At mid point 2019 capital guidance
International Petroleum Corp.

Exploration and Appraisal Expenditure (net)

- Blackrod -> 744 MMboe of Contingent Resources\(^{(1)}\)
- Keruing -> targeting 3 to 16 MMboe of Prospective Resources\(^{(2)}\)

\(^{(1)}\) Best estimate unrisked contingent resources, see Reader Advisory and MCR
\(^{(2)}\) Gross unrisked prospective resources, see Reader Advisory and MCR
International Petroleum Corp.
2019 Drilling Schedule

- Majority of production additions in second half of 2019

**Firm**

<table>
<thead>
<tr>
<th>Country</th>
<th>Licence - Prospect</th>
<th>Wells</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>Bertam - infill, appraisal, Keruing-1</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>Suffield oil drilling</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suffield gas recompletion</td>
<td>~150</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Blackrod pilot well pair</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>Vert-La-Gravelle</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Optional**

- **Canada:** Conventional oil drilling, Suffield N2N EOR project
- **Malaysia:** Keruing success case wells, additional infill well
- **France:** Villeperdue West
International Petroleum Corp.

Organic Growth

- Opportunity portfolio continues to grow
- Potential to accelerate future projects into 2019

### Future Opportunities

**Canada**
- Onion Lake Thermal expansion
  - Thermal next technology deployment
  - Further facilities and acceleration opportunities
- Blackrod development
- Conventional drilling
  - Suffield, Onion Lake, John Lake
- Suffield EOR (N2N) execution
- Mooney EOR expansion

**Malaysia**
- Phase 4 infills
- Keruing development

**France**
- Villeperdue West
- Villeperdue North
- Merisier
- Rhetian Horizontal wells

### 2019 Projects

- Suffield oil drilling
- Suffield gas recompletion
- Suffield EOR project sanction (N2N)
- Onion Lake Thermal facilities optimisation
- Blackrod 3rd pilot well pair
- 3 Infill wells
- Keruing exploration
- Vert-La-Gravelle Phase I
- Villeperdue West project sanction
- Vert-La-Gravelle investment decision

### Projects Executed in 2018

- Easy Coulee
- South Gibson
- Gas Optimisation
- 2 infill wells

103% Reserve Replacement

Value Creation

Production Growth

Opportunity portfolio continues to grow
Potential to accelerate future projects into 2019
2P Reserves – Year End 2018

1) As at December 31, 2018, see Reader Advisory and MCR
International Petroleum Corp.

2C Contingent Resources - Year End 2018(1)

Total 849 MMboe

- Canada, 98%
- Canada Blackrod, 744
- Canada heavy oil, 50
- Canada gas, 39
- France light oil, 16
- International, 2%

>13 x year on year contingent resources increase

2C Contingent Resources

<table>
<thead>
<tr>
<th></th>
<th>MMboe</th>
</tr>
</thead>
<tbody>
<tr>
<td>End 2017</td>
<td>63</td>
</tr>
<tr>
<td>2018 Revisions</td>
<td>+4.0</td>
</tr>
<tr>
<td>Matured to Reserves in 2018</td>
<td>-2.6</td>
</tr>
<tr>
<td>Acquisition of BlackPearl</td>
<td>+784.3</td>
</tr>
<tr>
<td>End 2018</td>
<td>849</td>
</tr>
</tbody>
</table>

(1) As at December 31, 2018, see Reader Advisory and MCR
4. **Asset Overview**

Daniel Fitzgerald, Chris Hogue

CMD, February 12, 2019
4a. Canada

Chris Hogue
IPC - Canada
Asset Overview - >1 Billion Barrels of Resource

**Suffield Area**
- Conventional heavy oil and natural gas
- 2018 production 23,900 boepd
- Focus on gas optimisation and oil development opportunities in 2019

**Onion Lake**
- Thermal and conventional heavy oil
- 2018 production 9,500 boepd
- Phase 2 Onion Lake thermal facilities completed in 2018, capacity now at 12,000 bopd
- Further production ramp up and facility optimisation through 2019

**Blackrod**
- Thermal heavy oil
- IPC’s single largest contingent resource opportunity
- Third pilot well pair planned for 2019

**Other Conventional Heavy Oil**
- Mooney alkaline-surfactant-polymer flood
- John Lake and Reita Lake conventional heavy oil

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**MMboe**

<table>
<thead>
<tr>
<th>2P Reserves</th>
<th>2C Contingent Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.5</td>
<td>48.8</td>
</tr>
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</table>

**MMbbls**

<table>
<thead>
<tr>
<th>2P Reserves</th>
<th>2C Contingent Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>142.2</td>
<td>24.7</td>
</tr>
<tr>
<td>744</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>2P Reserves</th>
<th>2C Contingent Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.7</td>
<td>15.9</td>
</tr>
</tbody>
</table>

**Note:** 2P reserves and 2C resources as at December 31, 2018, see Reader Advisory and MCR.
IPC - Canada
Suffield Area Asset Overview

- **Suffield Area – Operated by IPC**
  - Outperformed in 2018 in IPC’s first year as operator
  - 98% reserves replacement in 2018
  - Oil development drilling commenced in Q4 2018
    - First drilling since 2014
    - Develop inventory for full year drilling in 2019

- **Management focus**
  - Maintain operational excellence
  - Deliver 2019 development programme
  - Develop 2020 organic growth programme

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1) See Reader Advisory and MCR
IPC - Canada
Suffield Area - Oil Development

- **2019 firm programme – 17 development wells**
  - Locations spread across South Gibson, Gibson Lake, North Dieppe, and N2N areas
  - Progress preparations for 2020 drilling campaign

- **Favourable economic returns in current price environment**
  - Breakeven oil price ~23 USD/bbl WCS price
IPC - Canada
Suffield Area - Gas Optimisation

- Successfully offset shallow gas declines in 2018
  - Focus on increased swabbing activity in 1H 2018
  - Recompletion campaign began in Q4 2018 – early results encouraging

- 2019 plan
  - Continue swabbing and optimisation efforts
  - Capital budget to execute an additional ~150 recompletions
  - Low breakeven 0.2 to 1.6 CAD/mcf

Notes:

- Average annual decline 9% (1)
- Recompletion programme starts
- Increased swabbing activity
- Average pre-acquisition decline rate
- Suffield transaction close

(1) IHS Accumap
IPC - Canada
Suffield N2N Project

- **Successful track record**
  - Analogous to IPC operated UU and YYY alkaline-surfactant-polymer floods

- **Production and injection facility in place**
  - 22 MCAD invested by prior operator, project put on hold prior to commissioning

- **Development plan and investment decision**
  - Confirmatory laboratory and reservoir study work completed through 2018
  - Commissioning scope and schedule under evaluation
  - Final investment decision in 2019
Onion Lake Area – Operated by IPC
- Early life thermal project in ramp up mode
- Four pads on production with reservoir response in line with expectation
- Resource base supports 15,000 to 20,000 bopd for more than 20 years with 5 CAD/bbl sustaining capital

Management focus
- Maintain operational excellence
- Execute facility optimisation to build capacity to 14,000 bopd
- Evaluate further facility optimisation projects
- Commence warm-up and production conversions on sustaining pad F
- Prepare surface location for sustaining production pad D’
IPC - Canada

Onion Lake Thermal Reservoir Description

- Highly delineated with over 300 wells already drilled

- Initial primary production transitioned to thermal EOR
  - Incremental recovery factor of >40%
IPC Canada
Onion Lake Thermal Production Capacity

- Production ramp up through 2018 towards current nameplate capacity 12,000 bopd

- Production curtailed in Q4 2018 in response to high WTI-WCS differentials, now back in ramp up mode

- 2019 exit rate projected at 12,000 to 14,000 bopd

- Instantaneous steam oil ratio ~2.5 at nameplate capacity\(^{(1)}\)
  - Top quartile performance for Canadian thermal projects

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\(^{(1)}\) SOR reflected during realized production plateau

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*SOR reflected during realized production plateau

*Average SOR of Husky’s Bolney, Celtic, Edam, Paradise Hill, Pikes Peak, Rush Lake, Sandall, and Vawn thermal heavy oil projects
**Blackrod Asset Overview**

- **Blackrod area – Operated by IPC**
  - Amongst the best greenfield SAGD projects in Canada
  - Regulatory approval in place for 80,000 bopd multi phase project
  - Two successful stages of field piloting complete
  - 100% owned and operated

- **Management Focus**
  - Execute and put on stream 3rd pilot well pair to test longer horizontal well length and advanced completion design
  - Successful results integrated into revised commercial development plan will reduce number of well pads required to reach design rates, significantly reducing capital requirements
2 major acquisitions completed in 2018
- Adds >1 billion barrels of high quality strategic long life resources
- Diversified across oil, gas, producing and development assets

Targeting to increase production through 2019

Developing further opportunities to grow production base
4b. **Malaysia**

*Daniel Fitzgerald*
IPC - Malaysia

Asset Overview

- Reservoir and operational performance ahead of expectation
- Proven track record of reserve additions
- Successful programme of high value infill wells
- Focus on near field and in field production growth

$$+$55\%$$

Cumulative Production

2P Reserves$^{(1)}$

$^{(1)}$ As at December 31, 2018, see Reader Advisory and MCR
Consistently delivering operational excellence
- Over 99% facility uptime since startup
- Safe operations -> LTI free for over 2.5 years
- Predictable low cost of operations

Production delivery ahead of expectation
- Base and infill well performance remains strong
- >50% of production from infill wells

Bertam Field Gross Production

Historical

Infill wells
Base

>50% of production from infill wells
3 Infill wells completed (2016 & 2018)
- 2018 infills paid back in ~6 months

3 Infill wells planned for 2019 execution
- ~1 year payback
- ~30 USD/boe breakeven

Keruing exploration well planned for Q2 2019 execution
- **Year on year reserves increases in A15 area**
  - Water cut delayed from pre-drill expectations
  - Oil in place larger than initial expectation

- **2019 Programme**
  - Landing pilot required for potential 2019 infill well

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**A15 Reserves**

- **Pre-drill**
  - YE 2016: +22%
  - YE 2017: +29%
  - YE 2018: +11%
  - YE 2019: +79%

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(1) See Reader Advisory and MCR
2019 exploration targeting 2.7 to 15.7 MMboe\(^{(1)}\)

Potential high value tie-back to existing infrastructure

I-35 reservoir
- Reservoir presence and quality confirmed by Bertam development wells
- High permeability channel sands
- 4 way structural closure mapped on seismic
- Possible stratigraphic trap leading to higher in place volumes

2019 exploration well targets structural and stratigraphic closures

\(^{(1)}\) Gross unrisked prospective resources, see Reader Advisory and MCR as at December 31, 2018
4c. France

Daniel Fitzgerald

CMD, February 12, 2019
 IPC - France
France Asset Overview

- **Paris and Aquitaine Basins**
  - Long life low decline assets
  - Strong reservoir performance in 2018
  - Reserve replacement ratio of 174% in 2018
  - Focus on undeveloped reserves and contingent resources

![Graph showing cumulative production and 2P reserves from 2002 to 2018](chart.png)

$^{(1)}$ As at December 31, 2018, see Reader Advisory and MCR
IPC - France

Cash Generation

- Significant resource growth through time
- Significant cash generation through time
- Opportunity to deliver material production growth through investment

Cumulative Net Cashflow

85 MUSD Acquisition

>350

France - Net Oil Production

2P developed 13.0 MMbbls

2C Resource 15.9 MMbbls

2P Undeveloped 5.3 MMbbls


Million USD (undiscounted)

See Reader Advisory and MCR
IPC - France
Resource Maturation\(^{(1)}\)

- Proven track record of resource growth

\[\begin{align*}
\text{Villeperdue 3.8 MMboe} \\
\text{2C Contingent Resources 15.9 MMboe\(^{(1)}\)} \\
\text{Triassic Opportunities, 7.2 MMboe} \\
\text{Vert-La-Gravelle - Development Opportunity} \\
\text{Villeperdue West - Potential Sanction 2019}
\end{align*}\]

1) As at December 31, 2018, see Reader Advisory and MCR

\[\begin{align*}
\text{Villeperdue West matured to reserves in 2018} \\
\text{Requires horizontal wells to unlock potential} \\
\text{Technology prover for Rhetian contingent resources}
\end{align*}\]
IPC – France
Vert-La-Gravelle Project

- **Project Sanctioned Q4 2018**
  - Targeting unswept oil in central and southern areas
  - On track for Q2 2019 spud
  - 2 horizontal producers and 1 injector (phase 1)
  - Further upside from southern flank extension
  - 23 MEUR of facilities built and commissioned in 2014

- Application of tried and tested technology seeks to unlock significant value

**Breakeven oil price**

~43 USD/boe
Villeperdue West Development Overview

- **Undeveloped potential in western flank**
  - Oil-water contact extends beyond current wellstock
  - 3D seismic derisked development potential
  - Western wells have lower water cut than main field
  - Field infrastructure already in place

- **Investment decision expected during 2019**
Asset Highlights

Daniel Fitzgerald
International Petroleum Corp.

2019 Programme

Production

- Record production -> targeting to increase through 2019
- Exit rate forecast at >50,000 boepd

Investments

- Organic growth in all countries
- Exploration upside in Malaysia
- Further opportunities beyond 2019 firm programme

Reserves\(^{(1)}\)

- >100% reserves replaced in 2018 excluding A&D
- >2x growth in 2P reserves including acquisitions
- >13x growth in 2C contingent resources

\(^{(1)}\) See Reader Advisory and MCR
Q&A
BREAK
5. **Financial Overview**

Christophe Nerguararian

CMD, February 12, 2019
### Main Assumptions

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production Exit Rate</td>
<td>46,000 to 50,000 boepd</td>
</tr>
<tr>
<td></td>
<td>&gt; 50,000 boepd</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>146 to 166 MUSD</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>12.9 USD / boe</td>
</tr>
</tbody>
</table>

### Forecast Financials USD/boe

<table>
<thead>
<tr>
<th>Financial</th>
<th>USD/boe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>27.2</td>
</tr>
<tr>
<td>Operating Cash Flow(^{(1)})</td>
<td>13.2</td>
</tr>
<tr>
<td>EBITDA(^{(1)})</td>
<td>12.5</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Non-IFRS Measure, see Reader Advisory and MD&A. At mid-point of 2019 production guidance.

- IPC free cash flow positive after capital expenditure in 2019 in our base case
- Base case more conservative than market prices and forward curves
- Over 150 MUSD availability under existing credit lines
## International Petroleum Corp.

### Economic Assumptions

<table>
<thead>
<tr>
<th>Oil in USD/bbl</th>
<th>Low Case</th>
<th>Base Case</th>
<th>High Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brent</td>
<td>50</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>WTI</td>
<td>44</td>
<td>52</td>
<td>60</td>
</tr>
<tr>
<td>WCS (-20 USD/bbl)</td>
<td>24</td>
<td>32</td>
<td>40</td>
</tr>
<tr>
<td>Realised price in Canada</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>WCS -5</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gas in CAD/mcf</th>
<th>Empress</th>
<th>Low Case</th>
<th>Base Case</th>
<th>High Case</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
</tr>
</tbody>
</table>

### Sensitivities

<table>
<thead>
<tr>
<th>WTI-WCS differential (USD/bbl)</th>
<th>Low Case</th>
<th>Base Case</th>
<th>High Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empress gas price (CAD/mcf)</td>
<td>25</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>2.25</td>
<td>2.50</td>
<td>2.75</td>
</tr>
</tbody>
</table>

(1) Note that the WTI-WCS differential for Q1 2019 takes actuals into account.
International Petroleum Corp.
Realised Oil Prices

2018 realised oil prices

Brent, WTI & WCS Spot Price (USD/bbl)

- **Bertam Realised oil price**
- **France Realised oil price**
- **Suffield Realised oil price**

Brent, WTI & WCS Spot Price (USD/bbl)

- **Bertam, 70.55**
- **France, 66.08**
- **Suffield, 40.13**

WTI - 10 days differential (month -1)
International Petroleum Corp.
Realised Gas Prices

- **AECO, Empress and realised gas prices**
  - 2018 realised price 6% ahead of 2018 CMD guidance of 2.40 CAD/Mcf

2.54 (average realized price for 12 months)
## International Petroleum Corp.

### Margin Netback (1) (USD/boe)

<table>
<thead>
<tr>
<th>USD/bbl</th>
<th>Average Brent oil price (WTI)</th>
<th>WTI - WCS differential (20) =&gt; WCS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>23.0</td>
<td>27.2</td>
</tr>
<tr>
<td>Cost of operations - Base</td>
<td>-9.8</td>
<td>-9.8</td>
</tr>
<tr>
<td></td>
<td>-1.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>Tariff/transportation expenses</td>
<td>-1.6</td>
<td>-1.6</td>
</tr>
<tr>
<td>Production taxes</td>
<td>-0.4</td>
<td>-0.5</td>
</tr>
<tr>
<td>Operating costs (2)</td>
<td>-12.8</td>
<td>-12.9</td>
</tr>
<tr>
<td>Cost of blending</td>
<td>-1.1</td>
<td>-1.3</td>
</tr>
<tr>
<td>Change in inventory position</td>
<td>0.3</td>
<td>0.3</td>
</tr>
</tbody>
</table>

### 2019 Forecast

<table>
<thead>
<tr>
<th></th>
<th>Low 50 (44)</th>
<th>Base 60 (52)</th>
<th>High 70 (60)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>23.0</td>
<td>27.2</td>
<td>31.8</td>
</tr>
<tr>
<td>Cost of operations - Base</td>
<td>-9.8</td>
<td>-9.8</td>
<td>-9.8</td>
</tr>
<tr>
<td></td>
<td>-1.0</td>
<td>-1.0</td>
<td>-1.0</td>
</tr>
<tr>
<td>Tariff/transportation expenses</td>
<td>-1.6</td>
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<tr>
<td>Production taxes</td>
<td>-0.4</td>
<td>-0.5</td>
<td>-0.5</td>
</tr>
<tr>
<td>Operating costs (2)</td>
<td>-12.8</td>
<td>-12.9</td>
<td>-12.9</td>
</tr>
<tr>
<td>Cost of blending</td>
<td>-1.1</td>
<td>-1.3</td>
<td>-1.5</td>
</tr>
<tr>
<td>Change in inventory position</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Cash Margin Netback</strong></td>
<td><strong>9.4</strong></td>
<td><strong>13.3</strong></td>
<td><strong>17.7</strong></td>
</tr>
</tbody>
</table>

### 2018 Actual

<table>
<thead>
<tr>
<th></th>
<th>71</th>
<th>34,400 boepd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>36.2</td>
<td></td>
</tr>
<tr>
<td>Cost of operations - Base</td>
<td>-9.5</td>
<td>-0.9</td>
</tr>
<tr>
<td></td>
<td>-1.4</td>
<td>-0.6</td>
</tr>
<tr>
<td>Tariff/transportation expenses</td>
<td>-12.4</td>
<td>-2.0</td>
</tr>
<tr>
<td>Production taxes</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

---

(1) See Reader Advisory
(2) Non-IFRS measure, see Reader Advisory and MD&A
International Petroleum Corp.
Operating Costs Forecast (USD/boe)\(^{(1)}\)

\(^{(1)}\) Non-IFRS measure, see Reader Advisory and MD&A
### International Petroleum Corp.

**Operating Cash Flow\(^{(1)}\)** and **EBITDA Netback\(^{(2)}\)** (USD/boe)

<table>
<thead>
<tr>
<th></th>
<th>2019 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brent oil price (USD/bbl)</strong></td>
<td>50</td>
</tr>
<tr>
<td>Cash Margin Netback</td>
<td>9.4</td>
</tr>
<tr>
<td>Cash Taxes</td>
<td>-</td>
</tr>
<tr>
<td>Operating Cash Flow Netback</td>
<td>9.4</td>
</tr>
<tr>
<td><strong>EBITDA Netback</strong></td>
<td>8.6</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Non-IFRS measure, see Reader Advisory and MD&A. At mid-point of 2019 production guidance

\(^{(2)}\) See Reader Advisory and MD&A
## International Petroleum Corp. 
### Profit Netback (USD/boe)(1)

<table>
<thead>
<tr>
<th></th>
<th>2019 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50</td>
</tr>
<tr>
<td><strong>Brent oil price (USD/bbl)</strong></td>
<td></td>
</tr>
<tr>
<td>Cash Margin Netback</td>
<td>9.4</td>
</tr>
<tr>
<td>Depletion/Depreciation</td>
<td>-9.2</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>-0.8</td>
</tr>
<tr>
<td>Financial items, net</td>
<td>-1.9</td>
</tr>
<tr>
<td><strong>Profit/loss Before Tax</strong></td>
<td>-2.5</td>
</tr>
<tr>
<td>Tax</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>-1.1</td>
</tr>
</tbody>
</table>

(1) See Reader Advisory and MD&A

---

**Notes:**
- IPC CMD 2019
- Brent oil price (USD/bbl) is a key factor in calculating profit netback, impacting the cash margin netback and overall profit. The table above illustrates the impact of different oil prices on the net profit, considering factors such as depletion, depreciation, G&A, and financial items. A higher Brent oil price results in a higher cash margin netback, leading to potentially higher net profit. However, the table also shows that higher oil prices can also increase tax liability, affecting the net profit. The 2019 forecast includes scenarios for Brent oil prices of 50, 60 (base), and 70 USD/bbl, with variations in other financial metrics accordingly.
International Petroleum Corp.
Oil Sensitivity to WTI/WCS Differential

<table>
<thead>
<tr>
<th>Brent oil price (USD/bbl)</th>
<th>60.00</th>
<th>60.00</th>
<th>60.00</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>WTI/WCS Differential (USD/bbl)</td>
<td>25.00</td>
<td>20.00</td>
<td>15.00</td>
<td>± 1.5</td>
</tr>
<tr>
<td>Total Revenue (USD/boe)</td>
<td>25.7</td>
<td>27.2</td>
<td>28.7</td>
<td>± 1.5</td>
</tr>
<tr>
<td>Operating Cash Flow (^{(1)}) (USD/boe)</td>
<td>11.7</td>
<td>13.2</td>
<td>14.7</td>
<td>± 1.5</td>
</tr>
<tr>
<td>EBITDA (^{(1)}) (USD/boe)</td>
<td>11.1</td>
<td>12.6</td>
<td>14.1</td>
<td>± 1.5</td>
</tr>
</tbody>
</table>

- Same difference applies when differential changes by 5 USD/bbl at Brent prices of 50 or 70 USD/bbl

\(^{(1)}\) Non-IFRS measure, see Reader Advisory and MD&A
# Gas Sensitivity to Realised Canadian Gas Price

<table>
<thead>
<tr>
<th></th>
<th>2019 Forecast</th>
<th>Base Case</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brent oil price (USD/bbl)</strong></td>
<td>60.00</td>
<td>60.00</td>
<td>± 0.4</td>
</tr>
<tr>
<td><strong>WTI/WCS Differential (USD/bbl)</strong></td>
<td>20.00</td>
<td>20.00</td>
<td>± 0.4</td>
</tr>
<tr>
<td><strong>Gas price (CAD/mcf)</strong></td>
<td>2.25</td>
<td>2.50</td>
<td>± 0.4</td>
</tr>
<tr>
<td><strong>Total Revenue (USD/boe)</strong></td>
<td>26.8</td>
<td>27.2</td>
<td>27.6</td>
</tr>
<tr>
<td><strong>Operating Cash Flow (1) (USD/boe)</strong></td>
<td>12.9</td>
<td>13.2</td>
<td>13.6</td>
</tr>
<tr>
<td><strong>EBITDA (1) (USD/boe)</strong></td>
<td>12.2</td>
<td>12.6</td>
<td>13.0</td>
</tr>
</tbody>
</table>

(1) Non-IFRS measure, see Reader Advisory and MD&A

---

**Notes:**

- **Total Revenue (USD/boe):** The total revenue is calculated by multiplying the realized gas price by the forecasted production volume. The forecasted production volume is 27.2 million boe for the base case.
- **Operating Cash Flow (1) (USD/boe):** The operating cash flow is calculated by subtracting the total operating expenses from the total revenue. The difference in the operating cash flow is due to the change in the gas price.
- **EBITDA (1) (USD/boe):** EBITDA is calculated by subtracting the total operating expenses and G&A expenses from the total revenue. The difference in EBITDA is also due to the change in the gas price.
### International Petroleum Corp.
**Liquidity and Funding (USD/boe)**

#### Brent Oil Price (USD/bbl)

<table>
<thead>
<tr>
<th></th>
<th>50</th>
<th>60 (Base)</th>
<th>70</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Forecast</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Cash Flow Netback</td>
<td>9.4</td>
<td>13.2</td>
<td>17.4</td>
</tr>
<tr>
<td>General and Administration Costs</td>
<td>-0.8</td>
<td>-0.8</td>
<td>-0.8</td>
</tr>
<tr>
<td>Cash Financial Items</td>
<td>-1.2</td>
<td>-1.1</td>
<td>-1.0</td>
</tr>
<tr>
<td>Cash Flow Available for Investment</td>
<td>7.4</td>
<td>11.3</td>
<td>15.6</td>
</tr>
</tbody>
</table>

#### Exploration & Appraisal Capex

- 2019 Forecast: 26.0 MUSD

#### Development Capex

<table>
<thead>
<tr>
<th></th>
<th>2019 Forecast</th>
<th>MUSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Cap. (incl. decommissioning)</td>
<td>10.3</td>
<td>26.0</td>
</tr>
</tbody>
</table>

#### Free Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>2019 Forecast</th>
<th>MUSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Cash Flow</td>
<td>-2.9</td>
<td>0.7</td>
</tr>
</tbody>
</table>

#### Anticipated Liquidity from existing Credit Facilities

<table>
<thead>
<tr>
<th></th>
<th>2019 Forecast</th>
<th>MUSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipated Liquidity from existing Credit Facilities</td>
<td>9.6</td>
<td>9.6</td>
</tr>
</tbody>
</table>

#### Liquidity Headroom at end of 2019

<table>
<thead>
<tr>
<th></th>
<th>2019 Forecast</th>
<th>MUSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity Headroom at end of 2019</td>
<td>6.7</td>
<td>10.3</td>
</tr>
</tbody>
</table>

**MUSD**

- 134
- 26
6. Reserves Valuation

Rebecca Gordon
International Petroleum Corp.

Brent Price

Price Decks Brent USD/bbl

(1) See Reader Advisory and MCR

Year End 2017 Reserves Price Deck

Year End 2018 Reserves Price Deck
International Petroleum Corp.

**Canadian Pricing**(1)

---

**Western Canadian Select (WCS) USD/bbl**

- Year End 2017
- Year End 2018

---

**Empress Gas Price CAD/MMbtu**

- Year End 2017
- Year End 2018

---

(1) See Reader Advisory and MCR
International Petroleum Corp.
Net Present Value (NPV) Changes 2018 to 2019 (MUSD)\(^{(1)}\)

\[ \begin{array}{ccc}
\text{NPV} & \text{Net Debt}\(^{(2)}\) & \text{NAV} \\
\text{January 1, 2018} & 1,151 & 355 \\
\text{January 1, 2018} & 794 \\
\end{array} \]

\[ \begin{array}{ccc}
\text{NPV} & \text{Net Debt}\(^{(2)}\) & \text{NAV} \\
\text{January 1, 2019} & 1,040 & 166 \\
\text{January 1, 2019} & 874 \\
\end{array} \]

\[ \begin{array}{ccc}
\text{NPV} & \text{Net Debt}\(^{(2)}\) & \text{NAV} \\
\text{January 1, 2018} & 1,151 & 355 \\
\text{January 1, 2018} & 794 \\
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\[ \begin{array}{ccc}
\text{NPV} & \text{Net Debt}\(^{(2)}\) & \text{NAV} \\
\text{January 1, 2019} & 1,040 & 166 \\
\text{January 1, 2019} & 874 \\
\end{array} \]

\(^{(1)}\) See Reader Advisory, MCR and press release of February 12, 2019. All figures exclude the contribution of assets acquired in BlackPearl transaction.

\(^{(2)}\) See Reader Advisory and MD&A.
International Petroleum Corp.

Net Asset Value (MUSD)

1) As at December 31, 2018, see Reader Advisory, MCR and Press Release of February 12, 2019

2) Non-IFRS measure, see Reader Advisory. As at December 31, 2018
International Petroleum Corp.

Net Asset Value Per Share since Inception\(^{(1)}\)

\(^{(1)}\) See MD&A, AIF and Press Release of February 12, 2019

260% value uplift in 20 months

See MD&A, AIF and Press Release of February 12, 2019
7. Closing Remarks
International Petroleum Corp.

Closing Remarks

- Two transformational acquisitions completed in 2018
- Significant long life reserves base
- Low cost production growth
- Material contingent resource base
- Strong balance sheet to fund further growth
- Attractive valuation and cash flow multiples
- Continue opportunistic approach to M&A
Q&A

CMD, February 12, 2019
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.

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 intention and ability to continue to implement our strategies to build long-term shareholder value; IPC’s intention to review future potential growth opportunities; the ability of IPC’s portfolio of assets to provide a solid foundation for organic and inorganic growth; the continued facility upkeep and reservoir performance in IPC’s areas of operation; the proposed Vert La Gravelle development project and other organic growth opportunities in France, including the Villepargue West project; the proposed third phase of infill drilling in Malaysia and the ability to mature additional locations; the drilling of the Keringa prospect in Malaysia and the development options if drilling is successful; future development potential of the Suffield area operations, including continued and future oil drilling and gas optimization programs; the state of the oil markets, including in Canada following the curtailments announced by the Alberta government in 2018; future development of the Blackrod project in Canada; the results of the facility optimization program and the work to debottleneck the facilities and injection capability at Onion Lake Thermal; the ability to integrate the assets and operations acquired in the BlackPearl acquisition, including the ability to accelerate value creation and extend IPC’s reserves life following such acquisition; 2019 production range, exit rate, operating costs and capital expenditure; potential further acquisition opportunities; estimates of reserves; estimates of contingent resources; estimates of prospective resources; the ability to generate free cash flows and use that to repay debt and to continue to delever; and future drilling and other exploration and development activities.

Statements relating to "reserves"; "contingent resources" and "prospective resources" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist within the quantities predicted or estimated and that the 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 expenses; the timing of receipt of regulatory approvals; the performance of existing wells; the success obtained in drilling new wells; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the successful completion of acquisitions and dispositions; the benefits of acquisitions; the state of the economy and the exploration and production business in the jurisdictions in which IPC operates and globally; the availability and cost of financing, labour and services; and the ability to market crude oil, natural gas and natural gas liquids successfully. Although IPC believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because IPC can give no assurances that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, resources, production, revenues, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions or dispositions; the ability to access sufficient capital from internal and external sources; risks to obtain regulatory and other approvals; 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 risks that could affect IPC, or its operations or financial results, are included in the material change report dated February 12, 2019 (MCR), the management discussion and analysis for the three months ended and the year ended December 31, 2018 (MD&A) (See "Cautionary Statement Regarding Forward-Looking Information" therein), the Corporation’s Annual Information Form (AIF) for the year ended December 31, 2017 (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, 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), "Earnings Before Interest, Tax, Depreciation and Amortization" (EBITDA), "operating costs" and "net debt/net cash", which are not generally accepted accounting measures under International Financial Reporting Standards (IFRS) and do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with definitions of OCF, EBITDA, operating costs and net debt/net cash that may be used by other public companies. Non-IFRS measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

Management believes that OCF, EBITDA, operating costs and net debt/net cash are supplemental measures of profit and cash flow that may assist investors in the assessment of the Corporation’s and management’s ability to incur and service debt, fund capital expenditures and to evaluate the Corporation’s ability to generate free cash flows and use that cash to repay debt and to continue to delever; and future drilling and other exploration and development activities. 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 presentation contains references to estimates of 2P reserves and resources attributed to the Corporation’s oil and gas assets. Gross reserves / resources are the total working interest (operating or non-operating) share reserves before the deduction of any royalties and without including any royalty interests receivable.

Reserves estimates, contingent resource estimates and estimates of future net revenue in respect of IPC’s oil and gas assets in the Onion Lake, Blackrod and Mooney areas of Canada are effective as of December 31, 2018, and are included in the report prepared by McDaniel Associates Consultants Ltd. (McDan-iel), 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 CEGE Handbook), and using McDaniel's January 1, 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, 2018, 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 McDaniel’s January 1, 2019 price forecasts. The price forecasts used in the report are available on the website of McDaniel (www.mcdan.com), and are contained in the MCR.
The reserves life index (RLI) is calculated by dividing the 2P reserves of 288 MMboe as at December 31, 2018, by the mid-point of the initial 2019 production guidance of 46,000 to 50,000 boepd. The reserves replacement ratio is based on 2P reserves of 129.1 MMboe as at December 31, 2017 (including the 2P reserves attributable to the acquisition of the Suffield area assets which completed on January 9, 2018), production during 2018 of 12.4 MMboe, additions to 2P reserves during 2018 of 12.7 MMboe and 2P reserves of 128.0 MMboe as at December 31, 2018 (excluding the 2P reserves attributable to the acquisition of BlackPearl which completed on December 14, 2018).

"2P reserves" means IPC's gross 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.

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 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.

2P reserves and contingent resources included in the reports of McDaniels, Sproule and ENCE have been aggregated in this presentation by IPC. Estimates of reserves, resources and future net revenue for individual properties may not reflect the same level of confidence as estimates of reserves, resources and future net revenue for all properties, due to aggregation. This presentation 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 presentation 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 variations could be material.

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

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.

BOEs may be misleading, particularly if used in isolation. A B/D conversion ratio of 6 thousand cubic feet (Mcf) per 1 barrel (blb) 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 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.