

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name International Petroleum Corporation		2 Issuer's employer identification number (EIN) None	
3 Name of contact for additional information Jeff Henderson	4 Telephone No. of contact 403-539-4391	5 Email address of contact jeff.henderson@international-petroleum.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact Suite 2000, 885 West Georgia Street		7 City, town, or post office, state, and ZIP code of contact Vancouver BC Canada V6C 3E8	
8 Date of action December 14, 2018		9 Classification and description Common Shares	
10 CUSIP number CA46016U1084	11 Serial number(s) N/A	12 Ticker symbol TSX:IPC	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On December 14, 2018, International Petroleum Corporation ("IPC"), a British Columbia (Canada) corporation, acquired all of the issued and outstanding common shares of BlackPearl Resources Inc, a Canadian corporation, ("BlackPearl") pursuant to a Plan of Arrangement ("Arrangement"). BlackPearl shareholders received 0.22 IPC common shares for each BlackPearl common share exchanged in the Arrangement. BlackPearl is now a wholly-owned subsidiary of IPC.**

The Arrangement is described in the Joint Management Information Circular dated November 9, 2018 which is available at www.sedar.com

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

In general, the aggregate tax basis for US tax purposes (if applicable) in the IPC shares that each former shareholder of BlackPearl received pursuant to the Arrangement will equal such shareholder's aggregate tax basis in their BlackPearl shares exchanged in the Arrangement.

Each former BlackPearl shareholder should consult his or her own tax advisor regarding the tax consequences of the Arrangement.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

In general, the aggregate tax basis for US tax purposes (if applicable) in the IPC shares that each former shareholder of BlackPearl received pursuant to the Arrangement will equal such shareholder's aggregate tax basis in their BlackPearl shares exchanged in the Arrangement.

Each former BlackPearl shareholder should consult his or her own tax advisor regarding the tax consequences of the Arrangement.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►
The exchange of BlackPearl common shares for IPC common shares should qualify as a reorganization within the meaning of Section 368 (a) of the Internal Revenue Code ("Code"). Consequently, the US federal income tax consequences (if applicable) to former BlackPearl shareholders are determined under Code Sections 354, 358 and 1221.

Each former BlackPearl shareholder should consult his or her own tax advisor regarding the tax consequences of the Arrangement.

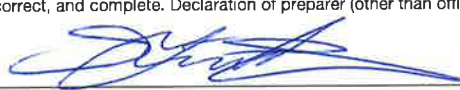
18 Can any resulting loss be recognized? ►
If the Arrangement qualifies as a reorganization within the meaning of Code Section 368 (a), then each former BlackPearl shareholder who received IPC common shares in the Arrangement should not be permitted to recognize any loss for US tax purposes (if applicable).

Each former BlackPearl shareholder should consult his or her own tax advisor regarding the tax consequences of the Arrangement.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►
No additional information

Each former BlackPearl shareholder should consult his or her own tax advisor regarding the tax consequences of the Arrangement.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ►  Date ► January 30, 2019

Print your name ► **Jeffrey Fountain** Title ► **General Counsel**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►	Firm's EIN ►			
	Firm's address ►	Phone no.			

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054