International Petroleum Corp.

Press Release

August 8, 2017

International Petroleum Corporation 2017 Second Quarter Financial Results

International Petroleum Corporation ("IPC" or the "Corporation") (TSX, Nasdaq First North: IPCO), today released its financial and operating results and related management's discussion and analysis ("MD&A") for the three and six months ended June 30, 2017.

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

"Since launching on April 24, 2017 in Canada and Sweden, we have been focused on delivering operational excellence, demonstrating financial resilience in a low oil price environment, maximizing the value of our resource base and assessing acquisition opportunities.

Delivering Operational Excellence

During the first half of 2017, we have had good performance from all of our assets with production of 11,100 barrels of oil equivalent per day (boepd) coming in 4% ahead of our mid-point guidance. The Bertam FPSO maintained an exceptional uptime performance of above 99% and I am confident that we will deliver our full year production guidance of 9,000 to 11,000 boepd.

Financial resilience in a low oil price environment

I am very pleased with the strong operating cash flow generation in the first half of 2017 of USD 72.3 million of operating cash flow. This was ahead of forecast on the back of better delivery against our operating cost forecast, leading us to revise downwards our full year operating cost guidance to USD 17.20 per barrel of oil equivalent (boe).

Having completed the share purchase offer during the second quarter, our strong cash flow generation has allowed us to reduce our net debt to USD 35.3 million, putting IPC in a very strong financial position.

Maximizing the value of our resource base

I am particularly pleased that we are able to report a significant contingent resource base following recent technical work undertaken by our teams in France and Malaysia. Our best estimate contingent resource base stands at 17.5 million boe (MMboe) as at June 30, 2017 or 60% of our 2P reserve base as at December 31, 2016. I believe that we can add significant value to our existing assets through a renewed focus on organic growth.

I am also pleased to report that we have already moved forward with plans to develop these contingent resources. We have approved the drilling of two additional infill wells on the Bertam field in Malaysia during the fourth quarter of this year subject to finalising partner approval and securing rig capacity. These infill wells are expected to generate significant returns for shareholders with a breakeven oil price at below USD 20 per boe and to pay back in around eight months on the current forward oil price curve.

From a production perspective, contribution from these infill wells is expected to enable IPC to offset the natural decline from our assets as we move into 2018.

We have also approved our first ever large-scale 3D seismic acquisition on one of our largest producing fields in the Paris Basin, the Villeperdue field, targeting the low risk development of 4.1 MMboe of best estimate contingent resources and allowing us to better define the structure of the Villeperdue Deep prospect. The actions we have taken since IPC was created have positioned us to potentially convert up to one-third of our contingent resource base into reserves and value.

Acquisition opportunities

On the acquisitions side, we have been very active since our launch, reviewing a number of opportunities. I do believe that we sit at an optimal time in the industry cycle and feel confident that we can identify a transaction that fits IPC's strategy within the next six to twelve months. Our focus is on diversifying our production and cash flow base and acquiring a quality asset that we believe will grow materially in value through time. We have a broad geographical remit and are looking at assets in the production and/or development stage so that we can apply leverage using conservative bank lending parameters and thus minimize any dilution to our shareholders."

Financial and Operational Highlights for the six months ended June 30, 2017 (reporting period)

- Total average production of 10,600 boepd net for the second quarter of 2017, 4% above mid-point guidance for that quarter and also for year to date production.
- In excess of 99% average facilities uptime on the Bertam field during the reporting period.
- Operating costs below guidance with USD 14.40 per boe for the second quarter of 2017 and USD 13.30 per boe for the reporting period. Guidance for the full year 2017 revised down to USD 17.20 per boe.
- Bertam field scheduled shutdown completed as planned.
- Two new Bertam infill wells targeting 2.3 MMboe gross best estimate contingent resources expected to be drilled in Q4 2017.
- Capital expenditure guidance revised to USD 38 million following the approval of the Bertam infill wells and the 3D seismic program in France.
- Best estimate contingent resources base assessed by IPC at 17.5 MMboe as at June 30, 2017.
- USD 100 million senior secured revolving borrowing base facility entered into on April 20, 2017, which was initially drawn to USD 80 million. Net debt at the end of the quarter was USD 35.3 million.
- No material incidents in the quarter in relation to health, safety and the environment

	Three months ended		Six months ended	
US$ Thousands	Q2 2017	Q2 2016	Q2 2017	Q2 2016
Revenue	48,496	55,568	100,428	101,790
Operating cash flow	32,644	42,746	72,319	71,930
Net result	7,113	26,954	11,574	(24,145)

International Petroleum Corp. (IPC) is a new international oil and gas exploration and production company with a high quality portfolio of assets located in Europe and South East Asia, 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 First North Exchange (Stockholm) under the symbol "IPCO". Pareto Securities AB is the Corporation's Certified Adviser on Nasdaq First North.

For further information, please contact:

Rebecca Gordon VP Corporate Planning and Investor Relations rebecca.gordon@international-petroleum.com Tel: +41 22 595 10 50	or	Robert Eriksson Media Manager reriksson@rive6.ch Tel: +46 701 11 26 15

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 CEST on 8 August 2017. The Company's interim consolidated carve-out financial statements, notes to the financial statements and management's discussion and analysis have been filed on SEDAR (www.sedar.com) and are also available on the Company's website (www.international-petroleum.com).

Forward-Looking Statements

This press release may contain statements and information which constitute "forward-looking information" (within the meaning of applicable securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including the Company's future performance, business prospects or opportunities. Actual results may differ materially from those expressed or implied by forward-looking statements. Forward-looking statements are expressly qualified by this cautionary statement. Forward-looking statements speak only as of the date of this press release, unless otherwise indicated. IPC does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws.

All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, forecasts, guidance, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "forecast", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements include, but are not limited to, statements with respect to organic growth opportunities in France, infill drilling in Malaysia, potential acquisition opportunities, estimates of reserves and contingent resources, future production and operating cost levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities. Ultimate recovery of reserves or resources is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

References are made in this press release to Operating Cash Flow (OCF), net debt and operating costs which are not generally accepted accounting measures under IFRS and therefore may not be comparable with definitions of OCF, net debt and operating costs that may be used by other entities. Management believes that OCF, net debt and operating costs are useful supplemental measures that may assist shareholders and investors in assessing the cash generated by and the financial performance and position of the Corporation. This additional information should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. The definition and reconciliation of non-IFRS measures is presented in the MD&A.

Reserve estimates and estimates of future net revenue are effective as of 31 December 2016 and were prepared by IPC in accordance with standards prescribed by National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators (NI 51-101) and audited by ERC Equipoise Ltd., an independent qualified reserves auditor.

The estimates of best estimate contingent resources contained in this press release are based on an evaluation of contingent resources that was prepared by a qualified reserves evaluator, as defined in NI 51-101. The reserves evaluator is not independent of IPC for the purposes of NI 51-101.

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 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 is uncertainty that it will be commercially viable to produce any portion of the contingent resources referred to in this press release. The contingent resources referred to in this press release are further described in the MD&A, including with respect to risks and uncertainties related to the contingent resources.

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf per 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.