Press Release

7 November 2017

International Petroleum Corporation 2017 Third 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 nine months ended 30 September 2017.

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

"We were very pleased to announce during the third quarter the transformational acquisition of the Suffield conventional oil and gas assets in Southern Alberta, Canada from Cenovus, due to complete by the end of this year. With the Suffield acquisition, we are increasing our reserves base fourfold from the beginning of 2018, with a three times increase in our production that delivers strong cash flow generation. The transaction is expected to be fully funded through debt financing, with no dilution to our shareholders, and we believe our timing was optimal given where we sit in the industry cycle.

Our French, Dutch and Malaysian assets have continued to perform strongly, with production 7% above mid-point guidance for the quarter and operating costs below guidance, leading to a further reduction in our full year operating cost guidance to USD 16.20 per barrel and a revised production guidance range for the year to 10,000 to 10,500 barrels of oil equivalent per day (boepd). We are also continuing to progress our new projects during the quarter, with preparations continuing for the drilling of an additional two infills in Malaysia, at lower than estimated cost, and the completion of the seismic acquisition in France.

Suffield Acquisition

The previously announced agreement with Cenovus Energy Inc., to acquire all of Cenovus' interests in the conventional oil and gas assets in the Suffield and Alderson areas of southern Alberta, Canada, for a cash consideration of CAD 500 million at closing and a CAD 12 million deferred payment at end June 2018, (subject to closing adjustments and to certain additional contingent consideration) is expected to close by the end of this year.

This transaction will bring to IPC high quality conventional oil and gas assets with low decline rates and average forecast production of approximately 24,000 boepd in 2017, and gross 2P reserves as at January 1, 2018 of approximately 100 million boe (MMboe). The operation is low cost with forecast 2017 production costs of less than CAD 10.00 per boe. In addition, IPC will benefit from a high calibre operating team transferring from Cenovus.

Due to low capital invested by Cenovus in these assets for many years, IPC believes there are opportunities for potential growth of both production and reserves. In addition, given the favourable fiscal regime in Canada, IPC believes there is significant leverage to upside commodity prices.

Financial resilience

IPC is highly free cash flow generative given the low cost nature of our assets. For the nine months ended September 30, 2017, operating cash flow generation is ahead of guidance at USD 101.2 million based upon a first nine months average Dated Brent oil price of close to USD 52 per barrel.

Our net debt level was USD 47.2 million by the end of the third quarter, after taking into account the deposit of CAD 40 million paid as part of the Suffield acquisition transaction and the share purchase offer completed in the second quarter. This net debt level demonstrates the robust free cash flow generation from IPC at relatively low oil prices.

Maximizing the value of our resource base

We have continued to move forward with our plans to develop the contingent resource base of 17.5 MMboe announced in the second quarter of this year.

The drilling of two additional infill wells on the Bertam field in Malaysia was approved during the second quarter. Good progress has been made during the third quarter with partner approval having been secured and a rig contract executed. Drilling is expected to commence during the fourth quarter. These infill wells are expected to generate significant returns for shareholders given an essentially fixed operating cost base on the Bertam field, leading to breakeven prices of less than USD 20 per barrel. From a production perspective, contribution from these infill wells is expected to enable IPC to more than offset the natural decline from our assets as we move into 2018.

We have now completed 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 contingent resources. The seismic will now be processed and interpreted to better define the structure in the western flank of the field as well as our biggest prospect, Villeperdue Deep.

The actions we have taken since IPC was created have positioned us to convert up to one third of our contingent resource base into reserves and value, and study work continues with the aim of maturing additional opportunities in both France and Malaysia."

Financial and Operational Highlights

- Total average production of 9,200 boepd net for the third quarter of 2017 and 10,400 boepd for the first nine months of 2017, 7 percent and 4 percent ahead of mid-point guidance respectively.
- Revised production guidance of 10,000 to 10,500 boepd from 9,000 to 11,000 boepd.
- Operating costs per boe below guidance at USD 18.71 for the third quarter of 2017 (February 2017 Capital Markets Day (CMD) - USD 22.00) and USD 14.92 for the first nine months of 2017 (CMD – USD 18.75). The third quarter result included the impact of higher one off costs and lower production as a result of the planned Bertam shutdown.
- Operating cost guidance for the full year is reduced to USD 16.20 per boe from Q2 guidance of USD 17.20 per boe.
- Best estimate contingent resources assessed by IPC at 17.5 million boe (MMboe) as at June 30, 2017.

- Capital expenditure guidance for 2017 reduced to USD 33 million (Q2 guidance USD 38 million).
- 3D seismic acquisition in the Villeperdue field (France – Paris Basin) was completed in October 2017.
- Partner approval and rig contract secured for two infill wells in Malaysia. Drilling expected to commence during the fourth quarter.
- No material health, safety and environment incidents year to date in 2017.

	Three months ended September 30		Nine months ended September 30	
US$ Thousands	**2017**	2016	**2017**	2016
Revenue	**47,926**	48,498	**148,354**	150,288
Gross profit/(loss)	**7,256**	9,631	**35,287**	8,961
Net result	**2,172**	4,522	**13,746**	(19,623)
Operating cash flow	**28,893**	38,911	**101,212**	110,841
EBITDA	**26,440**	38,439	**95,876**	108,917
Net debt	**47,241**	(8,443)	**47,241**	(8,443)

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.

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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 November 7, 2017. The Company's interim condensed consolidated 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 the timing and ability of IPC to finance and complete the acquisition of the Suffield/Alderson assets, integration of the Suffield/Alderson-related operations and employees into IPC, organic growth opportunities in France, infill drilling in Malaysia, potential acquisition opportunities, estimates of reserves, future production 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"), Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA"), operating costs, and Net Debt which are not generally accepted accounting measures under IFRS and therefore may not be comparable with definitions of OCF, EBITDA, operating costs and Net Debt that may be used by other entities. Management believes that OCF, EBITDA, operating costs and Net Debt 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 each non-IFRS measure is presented in the management discussion and analysis for the three and nine months ended September 30, 2017 (the "MD&A").

This press release contains references to estimates of gross 2P reserves and best estimate contingent resources. Gross reserves and contingent resources are the total working interest reserves before the deduction of any royalties and including any royalty interest receivable.

Unless otherwise stated, 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.

Unless otherwise stated, 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.

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

"2P reserves" means proved plus probable reserves. "Proved reserves" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. "Probable reserves" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies are conditions that must be satisfied for a portion of continent resources to be classified as reserves that are: (a) specific to the project being evaluated; and (b) expected to be resolved within a reasonable timeframe. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent resources are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on a project maturity and/or characterized by their economic status.

The contingent resources reported in the press release are estimates only. The estimates are based upon a number of factors and assumptions each of which contains estimation error which could result in future revisions of the estimates as more technical and commercial information becomes available. The estimation factors include, but are not limited to, the mapped extent of the oil and gas accumulations, geologic characteristics of the reservoirs, and dynamic reservoir performance. There are numerous risks and uncertainties associated with recovery of such resources, including many factors beyond the Company's control. There is uncertainty that it will be commercially viable to produce any portion of the contingent resources referred to in this press release.

The contingent resources disclosed in this press release in respect of the Suffield/Alderson assets, including the risks related to such contingent resources, are further described in the press release related to the proposed Suffield acquisition dated September 25, 2017.

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.