International Petroleum Corp.

Press Release

February 8, 2022

International Petroleum Corporation 2021 Year-End Financial Results and 2022 Budget and Production Guidance

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 (MD&A) for the year ended December 31, 2021. IPC is also pleased to announce its 2022 capital expenditure budget of USD 127 million and its 2022 production guidance of between 46,000 and 48,000 barrels of oil equivalent (boe) per day (boepd).(1) 2021 year-end proved plus probable (2P) reserves and best estimate contingent resources (unrisked) are respectively 270 million boe (MMboe) and 1,410 MMboe.(1)(2) IPC forecasts cumulative free cash flow (FCF) for 2022 to 2026 of approximately MUSD 900 to MUSD 1,800 (based on forecast Brent oil prices of USD 65 to 95 per barrel) generating estimated average annual FCF yield over the five year period of between 18% and 36%.(3)(7) IPC has also approved a new capital allocation plan where, from and including 2022, IPC intends to distribute to shareholders up to 40% of the FCF generated by IPC above achieved average Brent oil prices of USD 55 per barrel.(3)(7)

2021 Business and Financial and 2022 Business Plan Highlights

- Average net production of approximately 46,800 boepd for the fourth quarter of 2021 was above the high end of the third quarter of 2021 guidance range for the period (46% heavy crude oil, 18% light and medium crude oil and 36% natural gas).(1)
- Full year 2021 average net production was 45,500 boepd above the high end of guidance and year end exit rate was above 46,000 boepd.
- Production from the new sustaining Pad D' at Onion Lake Thermal, Canada successfully brought online in the third quarter of 2021, with initial performance ahead of expectations and five production infill wells drilled at Onion Lake Thermal during the fourth quarter of 2021.
- Increased working interest in the Bertam Field, Malaysia from 75% to 100% in April 2021.
- Exceptional operational performance at the Bertam Field during 2021, with greater than 99% uptime and the successful increase of Bertam FPSO water handling capacity from 17,000 to 24,000 barrels of water per day in Q3 2021.
- Drilling operations on the A15 sidetrack well at the Bertam Field commenced in December 2021.
- Second annual Sustainability Report published in Q2 2021.
- 2P reserves as at December 31, 2021 of 270 MMboe, with a reserves life index (RLI) of 16 years.(1)(2)
- Contingent resources (best estimate, unrisked) as at December 31, 2021 of 1,410 MMboe.(1)(2)
- Operating costs per boe of USD 15.1 for the fourth quarter of 2021 and USD 15.0 for the full year compared to full year guidance of USD 15.5 per boe.(3)
- Record high operating cash flow (OCF) generation for the fourth quarter and full year 2021 amounted to MUSD 111 and MUSD 337 respectively.(3)
- Capital and decommissioning expenditures of MUSD 48 for the full year 2021, slightly below guidance of MUSD 50 following the re-phasing of drilling projects in Malaysia into the first quarter of 2022.
- Record high FCF generation for the fourth quarter and full year 2021 amounted to MUSD 87 and MUSD 263 respectively.(3)
- Net debt of MUSD 94 as at December 31, 2021, down from MUSD 161 at the end of the third quarter of 2021 and down from MUSD 321 as at December 31, 2020.(3)
- Net debt to 12 month rolling EBITDA ratio as at December 31, 2021 was 0.3 times.(3)
- Net result of MUSD 67 for the fourth quarter of 2021 and MUSD 146 for the full year 2021.
- IPC's inaugural USD 300 million bond issued on February 1, 2022, with a portion of the bond proceeds used to fully repay and cancel IPC's existing reserve-based lending credit facilities.

International Petroleum Corp. Suite 2000, 885 West Georgia Street Vancouver, V6C 3E8, Canada Tel. +1 604 689 7842 www.international-petroleum.com E-mail: info@international-petroleum.com

USD Thousands	Three months ended December 31 2021	Three months ended December 31 2020	Year ended December 31 2021	Year ended December 31 2020
Revenue	215,296	103,353	666,409	324,164
Gross profit / (loss)	79,469	(60,570)	210,321	(83,986)
Net result	66,918	(45,250)	146,059	(77,941)
Operating cash flow (3)	110,687	46,019	336,732	119,423
Free cash flow (3)	86,960	28,571	262,884	9,342
EBITDA (3)	110,087	43,004	330,754	108,452
Net Debt (3)	94,312	321,193	94,312	321,193

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

"Market conditions for oil and gas producers rebounded strongly in 2021 from the lows experienced in 2020, finishing on a high in the final quarter of 2021 with an average Brent oil price of USD 80 per barrel. Full year 2021 average Brent prices averaged USD 71 per barrel, well in excess of the full year 2020 Brent oil prices average of USD 42 per barrel.

Proactive supply management by the OPEC+ group, led by Saudi Arabia, has more than rebalanced the market. Excess oil inventory levels are reported to have drawn back down well below pre-pandemic levels, and now sit below the five year average. The recovery in oil demand remains on track and it now feels like we are approaching the beginning of the end of the pandemic. Covid-19 defences are incomparable to this time last year with the vaccination and testing programs we now have in place. This should bode well for oil demand going forward as the final wave of mobility restrictions eases and OPEC+ production curtailment fully unwind, noting that some producers are facing challenges in meeting their increased quotas.

In Canada, fourth quarter 2021 Western Canadian Select (WCS) crude price differentials averaged below USD 15 per barrel and forward markets into 2022 and 2023 are pricing the WCS differential at below USD 14 per barrel. Completion and placement into service of Enbridge's Line 3 replacement pipeline in the fourth quarter of 2021 as well as the positive construction progress on the TransMountain pipeline expansion project is providing a much more constructive outlook for Canadian oil market egress relative to the tightness we have witnessed over the past several years. IPC has positioned itself well to benefit from this fundamental improvement in market conditions and has decided to take advantage of this by hedging approximately 60% of our WTI/WCS differential exposure at approximately USD 13 per barrel for the remainder of 2022. No other oil hedges are in place providing full exposure to the strength we are seeing in both the Brent and WTI benchmarks.

Gas markets have also strengthened driven by a combination of increasing demand, lower supply and warmer than average summer temperatures that diverted gas supply away from injecting into storage. Fourth quarter 2021 average Empress gas prices were CAD 5.00 per Mcf and forward 2022 prices sit above CAD 3.50 per Mcf. IPC has hedged AECO gas prices, 19,000 Mcf per day at CAD 4.40 per Mcf in Q1 2022 and 33,000 Mcf per day at CAD 3.60 per Mcf in Q2 and Q3 2022.

IPC benefits from a well balanced mix of production comprising approximately 48% Canadian crude oil, 36% Canadian gas and 16% Brent weighted oil. With synchronized strength in pricing across the entire energy complex, combined with IPC delivering operational excellence above the high end of our forecasts, IPC has been able to deliver our best ever quarterly and annual financial performance since our launch in 2017.

We were very pleased with IPC's first USD 300 million bond, issued on February 1, 2022, accessing the debt capital markets at a favourable time. We used a portion of the proceeds of the bond to fully repay and cancel our existing reserve-based lending facilities and at the same time, we put in place a new CAD 75 million revolving credit facility for financial flexibility in Canada. We strongly believe that the winners in the next phase of the energy transition in the upstream oil and gas industry will be the companies able to access diverse sources of funding. Whilst we do not have an imminent acquisition, we believe that being able to demonstrate to sellers that IPC has the financial strength on its balance sheet, will enable IPC to access a greater universe of opportunities whilst differentiating us from our peers in terms of certainty of being able to close transactions.

We have created significant value from acquisition for all of our stakeholders having concluded four acquisitions in the past four years and will remain opportunistic in our approach with respect to further M&A activity focusing on securing additional high quality resources.

Fourth Quarter and Full Year 2021 Highlights

During the fourth quarter of 2021, our assets delivered average net production of 46,800 boepd.[1] Production for the full year 2021 averaged 45,500 boepd.[1] In all four quarters of 2021, IPC has delivered production above our original high end guidance. This was made possible by the very high uptime performance across all our assets as well as the earlier than forecast production contribution from the newly commissioned Pad D' at Onion Lake Thermal.

Our operating costs per boe for the fourth quarter of 2021 was USD 15.1.[3] Full year operating costs per boe of 15.0 was below our latest guidance of USD 15.50 per boe, largely driven by the production outperformance.

Operating cash flow generation for the fourth quarter of 2021 was USD 111 million, a record high for IPC.[3] Full year operating cash flow amounts to USD 337 million, above our high end guidance and a record for IPC.

Capital and decommissioning expenditures for the full year was USD 48 million, USD 2 million below guidance largely the result of re-phasing into 2022.

Free cash flow generation was exceptionally strong at USD 87 million during the fourth quarter of 2021 and USD 263 million for the full year, a record quarterly and full year result for IPC and above our latest high end guidance.[3] This represents close to 26% of IPC's current market capitalization.

Net debt reduced more than 70% during 2021 to USD 94 million as at December 31, 2021.[3] Net debt to EBITDA drops to 0.3 times at year-end 2021 from 3 times at the year-end 2020 (trailing 12 months).

Capital Allocation Plans

We are also pleased to announce IPC's 2022 capital allocation plans, given our strong forecast liquidity position resulting from continued operational performance and strong commodity prices. Based on our current business plans and assumptions, IPC plans to distribute to shareholders up to 40% of the free cash flow generated by IPC above achieved average Brent oil prices of USD 55 per barrel, provided that IPC's net debt to EBITDA ratio is at or below 1 time.[3][7] These shareholder distributions are planned to be implemented by continued share repurchases under the previously announced share repurchase program as well as the consideration by IPC of other forms of shareholder distributions, subject to further applicable regulatory and corporate approvals.

Share Repurchase Program

In Q4 2021, IPC announced a share repurchase program, with the ability to repurchase up to approximately 11.1 million IPC common shares over the twelve month period to December 2022. IPC repurchased in December 2021 and subsequently cancelled approximately 1.3 million IPC shares, at an average purchase price of approximately SEK 49.5 (or around CAD 6.95) per share. By the end of January 2022, IPC repurchased a further approximately 1.0 million IPC shares of which 726,676 shares have been cancelled.

Environmental, Social and Governance ("ESG") Performance

Responsible operatorship and ensuring that we adhere to the highest principles of business conduct have been an integral part of how we do business since the creation of IPC in 2017. Over the past five years, IPC has rapidly grown our business with the completion of three acquisitions in Canada, an acquisition in Malaysia in addition to significant organic investments into those businesses. In parallel, we have made a concerted effort to further develop and improve our sustainability strategy. An important part of this journey involves the measurement and transparent reporting of a broad range of ESG metrics. Alongside the publication of our second quarter 2021 financial report, we were very pleased to publish our second Sustainability Report that was fully GRI compliant. We encourage everyone to read it and see first-hand the good work that is being done within our company. As previously announced, IPC targets a reduction of our net GHG emissions intensity by the end of 2025 to 50% of the Corporation's 2019 baseline.

During the fourth quarter of 2021 and for the full year 2021, IPC recorded no material safety or environmental incidents. In response to the Covid-19 pandemic, we remain focused on protecting the health and safety of our employees, contractors and other stakeholders, while also working to ensure business continuity. Throughout 2021, IPC continued the health protocols implemented across the organization.

Reserves and Resources

As at the end of December 2021, IPC's 2P reserves are 270 MMboe.(1)(2) During 2021, IPC replaced 91% of production through a combination of reserve additions and the acquisition of an additional 25% working interest in the Bertam field, Malaysia. The reserves life index (RLI) as at December 31, 2021, is approximately 16 years.(2)

Based on independent qualified reserve auditor reports, the net present value (NPV)(2)(4) of IPC's 2P reserves as at December 31, 2021 was USD 2,522 million. IPC's net asset value (NAV)(2)(5) as at December 31, 2021 was USD 2,428 million. IPC's NAV per share(2)(6) was SEK 143 as at December 31, 2021.

In addition, IPC's best estimate contingent resources (unrisked) as at end December 2021 have increased by more than 300 MMboe to 1,410 MMboe.(1)(2)

The biggest single contributor to the increase in contingent resource estimates comes from the Blackrod project in Canada.(1)(2) IPC commissioned a third party independent qualified reserves evaluator report from Sproule Associates Ltd. (Sproule) on the contingent resources at Blackrod Phase I as at December 31, 2021. Full field best estimate contingent resources (unrisked) increased from 987 MMboe as at end December 2020 to 1,283 MMboe as at end December 2021. Phase I best estimate contingent resources (unrisked) increased from 178 MMboe to 217 MMboe as at end December 2021. Development capital expenditure to first oil is estimated at approximately USD 540 million (unrisked). The Phase I development concept has been further optimised to include initial production capacity of 20,000 bopd rising to 30,000 bopd. First oil is assumed to be four to five years after final investment decision with production ramping up to 30,000 bopd thereafter. The breakeven oil price estimated by IPC assuming a 10% discount rate is a WTI price of approximately USD 50 per barrel. Using Sproule's price forecasts as at December 31, 2021, the net present value at a 10% discount rate (after tax, unrisked) of Blackrod Phase I as at December 31, 2021 is USD 609 million. IPC plans to mature the Blackrod Phase I project during 2022 through FEED studies in parallel with the continuation of production from well pair three.

2022 Budget and Production

We are pleased to announce our 2022 average net production guidance is 46,000 to 48,000 boepd.(1) We forecast operating costs for 2022 to be USD 15.2 per boe.(3)

We also forecast significant free cash flow generation based on our 2P reserves base of an aggregate of more than USD 900 million to USD 1,800 million over the period of 2022 to 2026, without taking into account development of our contingent resources or any further potential acquisitions.(2)(3)(7)

Our 2022 capital expenditure budget is USD 127 million, as IPC focuses our 2022 strategy on strong free cash flow generation whilst growing our production and maturing our significant contingent resource base. The 2022 budget includes the commencement of investment at Onion Lake Thermal on the next sustaining Pad L as well as further infill drilling, Suffield oil N2N drilling, Phase I development at the Ferguson asset and Blackrod FEED studies as well as continued production from well pair three in Canada. We plan to complete the A15 sidetrack and ESP pump upsizing campaign in Malaysia as well as to start the Phase I development of the Villeperdue

West project in France. Given that IPC operates 100% of these projects, significant flexibility is retained to amend our plans based on the development of commodity prices.

Further details regarding IPC's 2022 budget and production guidance will be provided at IPC's Capital Markets Day presentation to be held on February 8, 2022 at 14:00 CET. A copy of the Capital Markets Day presentation will be available on IPC's website at www.international-petroleum.com."

Notes:

(1) See "Supplemental Information regarding Product Types" in "Disclosure of Oil and Gas Information" below. See also the material change report (MCR) available on IPC's website at www.international-petroleum.com and filed on the date of this press release under IPC's profile on SEDAR at www.sedar.com.

(2) See "Disclosure of Oil and Gas Information" below. Further information with respect to IPC's reserves, contingent resources and estimates of future net revenue, including assumptions relating to the calculation of NPV, are further described in the MCR.

(3) Non-IFRS measure, see "Non-IFRS Measures" below and in the MD&A.

(4) NPV is after tax, discounted at 8% and based upon the forecast prices and other assumptions further described in the MCR. See "Disclosure of Oil and Gas Information" below.

(5) NAV is calculated as NPV less net debt of USD 94 million as at December 31, 2021.

(6) NAV per share is based on 155,037,454 IPC common shares, being 155,198,105 IPC common shares outstanding as at December 31, 2021 less 1,160,651 IPC common shares held in treasury for cancellation in early January 2022.

(7) Estimated free cash flow generation is based on IPC's current business plans over the period of 2022 to 2026. Assumptions include average net production over that period of approximately 47 Mboepd, average Brent oil prices of USD 65 to 95 per boe escalating by 2% per year, average gas prices of CAD 3.00 per thousand cubic feet, and average Brent to Western Canadian Select differentials as estimated by IPC's independent reserves evaluator and as further described in the MCR. Free cash flow yield is based on IPC's market capitalization at close February 3, 2022 (60.0 SEK/share, 9.1 SEK/USD, USD 1,014 million). IPC's current business plans and assumptions, and the business environment, are subject to change. Actual results may differ materially from forward-looking estimates and forecasts. See "Forward-Looking Statements" below.

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".

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 CET on February 8, 2022. The Corporation's audited consolidated financial statements (Financial Statements) and management's discussion and analysis (MD&A) for the year ended December 31, 2021 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 have had a material effect 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. Although demand, commodity prices and share prices have recovered, there can be no assurance that these effects will not continue or that commodity prices will not decrease or remain volatile in the future. 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 current and any future Covid-19 outbreaks;
- the potential for an improved future economic environment, including resulting from a lack of capital investment and drilling in the oil and gas industry;
- 2022 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 financial and operational flexibility to continue to react to recent events and navigate the Corporation through periods of volatile commodity prices;
- IPC's continued access to its existing credit facilities, including current financial headroom, on terms acceptable to the Corporation;
- the ability to fully fund 2022 expenditures from cash flows and current borrowing capacity;
- IPC's ability to maintain operations, production and business in light of the current and any future Covid-19 outbreaks 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 and Ferguson operations in Canada, including the timing and success of future oil and gas drilling and optimization programs;
- development of the Blackrod project in Canada, including estimates of resource volumes, future production, timing, breakeven prices and net present value;
- current and future drilling pad production and timing and success of facility upgrades, tie-in work and infill drilling at Onion Lake Thermal;
- the potential improvement in the Canadian oil egress situation and IPC's ability to benefit from any such improvements;
- the timing and success of the future development projects and other organic growth opportunities in France;
- the ability to maintain current and forecast production in France;
- the ability of IPC to achieve and maintain current and forecast production in Malaysia;
- the success of the drilling of the A15 sidetrack well and of the production well pump rate optimisation project in Malaysia;
- the ability of 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;
- the ability of IPC to implement further shareholder distributions in addition to the share repurchase program;
- IPC's ability to implement its GHG emissions intensity and climate strategies and to achieve its net GHG emissions intensity reduction targets;
- estimates of reserves and contingent resources;
- the ability to generate free cash flows and use that cash to repay debt;
- IPC's ability to identify and complete future acquisitions; 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, 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 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 fluctuations;
- interest rate and exchange 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 MCR, the MD&A (See "Cautionary Statement Regarding Forward-Looking Information" therein), the Corporation's Annual Information Form (AIF) for the year ended December 31, 2020 (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, 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).

The current and any future Covid-19 outbreaks may increase IPC's exposure to, and magnitude of, each of the risks and uncertainties identified above that result from a reduction in demand for oil and gas consumption, lower commodity prices, reliance on third parties, operational risks and costs and changes in government regulation. The extent to which Covid-19 impacts IPC's business, results of operations and financial condition will depend on future developments, which are highly uncertain and are difficult to predict, including, but not limited to, the duration and spread of the current and any future Covid-19 outbreaks, their severity, the actions taken to contain such outbreaks or treat their impact, and how quickly and to what extent normal economic and operating conditions resume and their impacts to IPC's business, results of operations and financial condition which could be more significant in upcoming periods as compared with previous periods. Even after the Covid-19 outbreaks have subsided, IPC may continue to experience materially adverse impacts to IPC's business as a result of the global economic impact.

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).

Estimated free cash flow generation is based on IPC's current business plans over the period of 2022 to 2026. Assumptions include average net production of approximately 47 Mboepd, average Brent oil prices of USD 65 to 95 per boe escalating by 2% per year, average gas prices of CAD 3.00 per thousand cubic feet, and average Brent to Western Canadian Select differentials as estimated by IPC's independent reserves evaluator and as further described in the MCR. IPC's current business plans and assumptions, and the business environment, are subject to change. Actual results may differ materially from forward-looking estimates and forecasts.

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 are effective as of December 31, 2021, 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, 2021 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, 2021, 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, 2021 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 MCR. These price forecasts are as at December 31, 2021 and may not be reflective of current and future forecast commodity prices.

The reserves life index (RLI) is calculated by dividing the 2P reserves of 270 MMboe as at December 31, 2021, by the mid-point of the 2022 production guidance of 46,000 to 48,000 boepd.

The product types comprising the 2P reserves and contingent resources described in this press release are contained in the MCR. See also "Supplemental Information regarding Product Types" below. 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. 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 and contingent resources. 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 and resources evaluations will be attained and variances could be material.

The reserves and resources information and data provided in this press release presents only a portion of the disclosure required under NI 51-101. All of the required information will be contained in the Corporation's Annual Information Form for the year ended December 31, 2021, which will be filed on SEDAR (accessible at www.sedar.com) on or before April 1, 2022. Further information with respect to IPC's reserves, contingent resources and estimates of future net revenue, including assumptions relating to the calculation of net present value and other relevant information related to the contingent resources disclosed, is disclosed in the MCR available under IPC's profile on www.sedar.com and on IPC's website at www.international-petroleum.com.

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.

Supplemental Information regarding Product Types

The following table is intended to provide supplemental information about the product type composition of IPC's net average daily production figures provided in this document:

	Heavy Crude Oil (Mboepd)	Light and Medium Crude Oil (Mboepd)	Conventional Natural Gas (per day)	Total (Mboepd)
Three months ended				
December 31, 2020	19.2	8.2	104.7 MMcf (17.4 Mboe)	44.9
December 31, 2021	21.7	8.5	100.2 MMcf (16.7 Mboe)	46.8
Year ended				
December 31, 2020	16.5	8.5	103.1 MMcf (17.2 Mboe)	42.1
December 31, 2021	20.4	8.4	99.9 MMcf (16.7 Mboe)	45.5

This press release also makes reference to IPC's forecast total average daily production of 46,000 to 48,000 boepd for 2022. IPC estimates that approximately 46% of that production will be comprised of heavy oil, approximately 21% will be comprised of light and medium crude oil and approximately 33% will be comprised of conventional natural gas.

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.