International Petroleum Corp.

Press Release

May 2, 2023

International Petroleum Corporation Announces First Quarter 2023 Financial and Operational Results

International Petroleum Corporation (IPC or the Corporation) (TSX, Nasdaq Stockholm: IPCO) today released its financial and operational results and related management's discussion and analysis (MD&A) for the three months ended March 31, 2023.

Mike Nicholson, IPC's Chief Executive Officer, comments: "We are pleased to announce another quarter of record average net daily production, as IPC achieved 52,800 barrels of oil equivalent per day (boepd) during the first quarter of 2023. Our financial results during the quarter are in line with the 2023 guidance announced at our Capital Markets Day in February as we continue to produce cash flows from our operations in Canada, Malaysia and France. During the first quarter, we announced and completed the acquisition of Cor4 Oil Corp. in Canada, expected to add approximately 4,000 boepd to our 2023 average net daily production. We also continue purchases of IPC common shares under the normal course issuer bid in accordance with our stated capital allocation framework. In addition, we are progressing the development of Phase 1 of the Blackrod project in Canada, with work to date in line with schedule and budget."

Q1 2023 Business Highlights

- Record quarterly average net production of approximately 52,800 barrels of oil equivalent (boe) per day (boepd) for the first quarter of 2023 (50% heavy crude oil, 18% light and medium crude oil and 32% natural gas).
- Decision taken to advance the development of Phase 1 of the Blackrod project in Canada, maturing 218 million barrels of oil equivalent (MMboe) of 2P reserves.(1)(2)
- Successful completion of the Cor4 acquisition in Canada forecast to add approximately 4,000 boepd of average production over 2023 and 15.9 MMboe of 2P reserves.(1)(2)
- Ten year extension signed for the Bertam Field, Malaysia production sharing contract (PSC) to 2035.
- 4.76 million common shares purchased and cancelled during Q1 2023 under IPC's normal course issuer bid (NCIB).

Q1 2023 Financial Highlights

- Operating costs per boe of USD 17.3 for Q1 2023 in line with CMD guidance for Q1 2023.(1)(3)
- Operating cash flow (OCF) generation for Q1 2023 amounted to MUSD 76.(1)(3)
- Capital and decommissioning expenditures of MUSD 55 for Q1 2023 in line with CMD guidance.(1)
- Free cash flow (FCF) generation for Q1 2023 amounted to MUSD 16.(1)(3)
- Net cash of MUSD 67 as at March 31, 2023.(3)
- Increased Canadian Revolving Credit Facility (RCF) from CAD 75 to 150 million (fully committed and undrawn) and extended maturity from February 2024 to May 2025.
- Net result of MUSD 40 for Q1 2023.

Reserves and Resources

- Total 2P reserves as at December 31, 2022 of 487 million boe (MMboe), with a reserves life index (RLI) of 27 years.(1)(2)
- Contingent resources (best estimate, unrisked) as at December 31, 2022 of 1,162 MMboe.(1)(2)

2023 Annual Guidance

- Full year 2023 average net production forecast expected to be at the upper end of 48,000 to 50,000 boepd guidance range.(1)
- Full year 2023 operating costs guidance forecast at USD 17.5 to 18 per boe.(1)(3)
- Full year 2023 OCF guidance estimated at between MUSD 250 to 495 (assuming Brent USD 70 to 100

per barrel).[1][3]

- Full year 2023 capital and decommissioning expenditures guidance forecast at MUSD 365, including MUSD 287 relating to Phase 1 of the Blackrod project.[1]
- Full year 2023 FCF forecast ranges from approximately MUSD -145 to 105 (assuming Brent USD 70 to 100 per barrel) after taking into account MUSD 287 of proposed 2023 Blackrod capital expenditures.[1][3]

	Three months ended March 31	
USD Thousands	2023	2022
Revenue	192,516	259,782
Gross profit	40,205	119,100
Net result	39,563	80,822
Operating cash flow [3]	75,900	145,110
Free cash flow [3]	16,259	96,479
EBITDA [3]	76,079	145,463
Net Cash / (Debt) [3]	66,956	(42,367)

During the first quarter of 2023, oil and gas prices weakened on demand concerns, as rising interest rates aimed at taming high inflation, stoked recessionary fears. This was further exacerbated by the unfolding banking crisis during the quarter. Brent prices averaged slightly over USD 80 per barrel during the quarter, down by around ten per cent compared with the fourth quarter of 2022. The surprise production cuts announced by OPEC+ in early April are a second pre-emptive move by the group, aimed at ensuring recent oil price weakness, is not sustained. While inventory levels have built back close to the five-year average levels, the OPEC+ cuts are expected by market observers to push the oil market back into deficit for the remainder of 2023.

The first quarter 2023 West Texas Intermediate (WTI) to Western Canadian Select (WCS) crude price differentials averaged around USD 25 per barrel, USD 5 per barrel wider than our base case 2023 market guidance. Those market factors that have driven differentials wider such as the US Strategic Petroleum Reserve (SPR) releases, higher natural gas prices and refinery outages have now turned to provide more favourable tailwinds to Canadian differentials going forward. In addition, the expansion of the Trans Mountain pipeline (590,000 barrels per day of extra capacity linking Edmonton to the port of Vancouver) due in service in Q1 2024 as well as a reduction in Mexican heavy oil exports to the US as domestic refinery capacity increases by more than 200,000 barrels per day is expected to provide stronger support to WTI/WCS differentials going forward. Current WTI/WCS differentials have tightened to less than USD 16 per barrel for the remainder of 2023 and the whole of 2024 as a result of these favourable market developments.

Gas markets weakened significantly during the first quarter of 2023. IPC's average realised gas price was CAD 3.10 per Mcf compared with CAD 5.90 per Mcf during the fourth quarter of 2022. The recent weakness seen in North American gas prices, was to a large extent, driven by a much milder winter in Europe and the reduced demand for US LNG as a result. IPC was partially protected by AECO gas price hedges that were put in place when gas prices were much stronger in late 2022: 33.7 MMcf per day at CAD 6.26 per Mcf in Q1 2023 and at CAD 4.10 per Mcf from April to October 2023.

First Quarter 2023 Highlights and Full Year 2023 Guidance

During the first quarter of 2023, our assets delivered average net production of 52,800 boepd, above our high-end guidance for the quarter and a record high for IPC. This was made possible by the very high uptime performance across all our assets as well as the production contribution from our recent Cor4 acquisition in Canada. Given the very strong start to the year, full year 2023 average net production is expected to be towards the upper end of the guidance range of 48,000 to 50,000 boepd.(1)

Our operating costs per boe for the first quarter of 2023 was USD 17.3, in line with our latest guidance. Full year 2023 operating costs per boe guidance of USD 17.5 to 18.0 per boe remains unchanged.(1)(3)

Operating cash flow (OCF) generation for the first quarter of 2023 was USD 76 million. Full year 2023 OCF guidance of USD 250 to 495 million (assumed Brent USD 70 to 100 per barrel) is unchanged.(1)(3)

Capital and decommissioning expenditure for the first quarter of 2023 was USD 55 million in line with guidance. Full year 2023 capital and decommissioning expenditure of USD 365 million is unchanged.(1)

Free cash flow (FCF) generation was USD 16 million during the first quarter of 2023. Full year 2023 FCF guidance of USD -145 to 105 million (assumed Brent USD 70 to 100 per barrel) remains unchanged.(1)(3)

During the first quarter of 2023, IPC's net cash position of USD 175 million was reduced to USD 67 million, largely driven by the funding of USD 62 million for the Cor4 acquisition and USD 46 million for the continuing share repurchase program (NCIB).(3) Gross cash on the balance sheet as at March 31, 2023 amounts to USD 378 million providing a significant war chest to pursue our three strategic pillars of returning value to stakeholders, pursuing value adding M&A and focusing on organic growth. In addition, IPC further strengthened its liquidity position during the first quarter by increasing its Canadian Revolving Credit Facility (RCF) from CAD 75 to 150 million.

Phase 1 Blackrod Project

Following the successful completion of FEED studies and the continued strong production performance from well pair three during 2022, IPC took the decision in Q1 2023 to advance the development of Phase 1 of the Blackrod project. Development capital expenditure to first oil is estimated at approximately USD 850 million (including inflation and contingencies). First oil of the Phase 1 development is estimated to be in late 2026, with forecast production of 30,000 bopd by 2028. The breakeven oil price estimated by IPC assuming a 10% discount rate is a West Texas Intermediate (WTI) price of approximately USD 59 per barrel. Using the December 31, 2022 price forecasts of our qualified independent reserves evaluator, Sproule Associates Limited (Sproule), the net present value as at that date, at a 10% discount rate (after tax), of Phase 1 of the Blackrod project is USD 807 million. IPC intends to fund the Phase 1 development with cash on hand and forecast FCF generated by its operations.(1)(2)

During the first quarter, the Phase 1 development early ground works and the final facility engineering activities have progressed in line with schedule and budget. Preparations to enter in the major central processing facility build contract are on track to be finalised in the second quarter. This is expected to provide a high degree of certainty for the fixed price element of the Phase I development capital expenditure which represents close to 50% of the overall Phase I budget to first oil.

M&A

During Q1 2023, IPC announced and completed its fifth acquisition in five years. IPC acquired 15.9 MMboe of 2P reserves adjacent to our Suffield property in Alberta, Canada, through the Cor4 acquisition. This acquisition is forecast to add approximately 4,000 boepd to our Suffield area production in 2023. The producing assets are complementary to both our Suffield asset and a recent land acquisition on the same geological trend that IPC concluded in the fourth quarter of 2022. Following these acquisitions, we now have over 25 drilling inventory locations on the Ellerslie play fairway that extends from the west of our Suffield asset to our new land acquisition and into the properties acquired in the Cor4 acquisition. Three wells were successfully drilled and brought on production since the beginning of the year and we plan to drill another three wells on this exciting play in 2023.

The Cor4 acquisition was completed on March 3, 2023 with the consideration funded using existing cash on hand.[1][2]

2023 Capital Allocation Framework

Normal Course Issuer Bid

In Q4 2022, IPC announced the renewal of the NCIB, with the ability to repurchase up to approximately 9.3 million common shares over the twelve-month period to December 2023. IPC repurchased in December 2022 and subsequently cancelled approximately 0.73 million common shares. By the end of March 2023, IPC purchased and cancelled a further approximately 4.76 million common shares under the NCIB. The average price of common shares purchased under the renewed NCIB during the period of December 2022 to March 2023 was SEK 102 / CAD 13.25 per share.

As at March 31, 2023, IPC had a total of 132,069,946 common shares issued and outstanding, with no common shares held in treasury.

2023 Capital Allocation Plans

IPC's capital allocation framework consists of distributing to shareholders a minimum of 40% of the FCF generated by the business, provided that IPC's net debt to EBITDA ratio is at or below 1 time.[3] These shareholder distributions are planned to be implemented by continued share repurchases under the NCIB as well as the consideration by IPC of other forms of shareholder distributions, subject to further applicable regulatory and corporate approvals.

Despite the higher level of capital investment, and notwithstanding the capital allocation framework described above, IPC plans to continue to purchase and cancel common shares under the NCIB to the remaining limit as at March 31, 2023 of 3.8 million common shares by the end of December 2023, resulting in the anticipated cancellation of 7% of shares outstanding as of December 2022. We believe a combination of materially growing our 2P reserves, production and asset value whilst reducing our share count is a winning combination for shareholders.

Environmental, Social and Governance ("ESG") Performance

During the first quarter of 2023, IPC recorded no material safety or environmental incidents.

As previously announced, IPC targets a reduction of our net GHG emissions intensity by the end of 2025 to 50% of IPC's 2019 baseline and IPC remains on track to achieve this reduction. During the first quarter of 2023 IPC extended our commitment to remain at 2025 levels of 20 kg CO_2/boe through to the end of 2027.

Notes:

(1) See "Supplemental Information regarding Product Types" in "Reserves and Resources Advisory" below. See also the annual information form for the year ended December 31, 2022 (AIF) available on IPC's website at www.international-petroleum.com and under IPC's profile on SEDAR at www.sedar.com. IPC completed the acquisition of Cor4 on March 3, 2023. The Financial Statements have been prepared on that basis, with revenues and expenses related to the assets acquired in the Cor4 acquisition included in the Financial Statements from March 3, 2023. Certain historical and forecast operational and financial information included in the MD&A, including production, reserves, operating costs, OCF, FCF and EBITDA related to the assets acquired in the Cor4 acquisition, are reported based on the effective date of the Cor4 acquisition of January 1, 2023.

(2) See "Reserves and Resources Advisory" 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 described in the AIF. 2P reserves as at December 31, 2022 of 487 MMboe includes 471 MMboe attributable to IPC's oil and gas assets and 15.9 MMboe attributable to the oil and gas assets acquired in the Cor4 acquisition.

(3) Non-IFRS measure, see "Non-IFRS Measures" 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		Robert Eriksson
VP Corporate Planning and Investor Relations		Media Manager
rebecca.gordon@international-petroleum.com	Or	reriksson@rive6.ch
Tel: +41 22 595 10 50		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 May 2, 2023. The Corporation's unaudited interim condensed consolidated financial statements (Financial Statements) and management's discussion and analysis (MD&A) for the three months ended March 31, 2023 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.

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:

- The potential for an improved economic environment resulting from a lack of capital investment and drilling in the oil and gas industry;
- 2023 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 future 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 pandemics 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, regulatory approvals, third party commercial arrangements, breakeven oil prices and net present values;
- Current and future drilling pad production and timing and success of facility upgrades, tie-in work and infill drilling at Onion Lake Thermal;
- The ability of IPC to achieve and maintain current and forecast production and take advantage of production growth and development upside opportunities related to the oil and gas assets acquired in the Cor4 acquisition;
- The ability of IPC to integrate the oil and gas assets acquired in the Cor4 acquisition into its current operations;
- The existence of drill-ready opportunities in respect of the oil and gas assets acquired in the Cor4 acquisition and their ability to add further near-term production;
- 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 ability to IPC to acquire further common shares under the NCIB, including the timing of any such purchases;
- The return of value to IPC's shareholders as a result of the NCIB;
- The ability of IPC to implement further shareholder distributions in addition to the NCIB;
- 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.

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 general global economic, market and business conditions, 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 and climate-related 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.

Additional information on these and other factors that could affect IPC, or its operations or financial results, are included in the MD&A (See "Cautionary Statement Regarding Forward-Looking Information" and "Reserves and Resources Advisory" therein), the Corporation's Annual Information Form (AIF) for the year ended December 31, 2022 (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).

Management of IPC approved the production, operating costs, operating cash flow, capital and decommissioning expenditures and free cash flow guidance and estimates contained herein as of the date of this press release. The purpose of these guidance and estimates is to assist readers in understanding IPC's expected and targeted financial results, and this information may not be appropriate for other purposes.

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"/"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 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 definition of each non-IFRS measure is presented in IPC's MD&A (See "Non-IFRS Measures" therein).

Operating cash flow

The following table sets out how operating cash flow is calculated from figures shown in the Financial Statements:

	Three months ended March 31	
USD Thousands	2023	2022
Revenue	192,516	259,782
Production costs	(117,527)	(110,549)
Current tax	(3,991)	(4,123)
Operating cash flow	70,998	145,110

The operating cash flow for the three months ended March 31, 2023 including the operating cash flow contribution of the Cor4 acquisition from the effective date of January 1, 2023 to the completion date of March 3, 2023 amounts to USD 75,900 thousand.

Free cash flow

The following table sets out how free cash flow is calculated from figures shown in the Financial Statements:

	Three months ended March 31	
USD Thousands	2023	2022
Operating cash flow - see above	70,998	145,110
Capital expenditures	(48,238)	(38,353)
Abandonment and farm-in expenditures[1]	(1,211)	(1,925)
General, administration and depreciation expenses before depreciation[2]	(3,811)	(3,770)
Cash financial items[3]	(648)	(4,581)
Free cash flow	17,090	96,481

[1] See note 17 to the Financial Statements
[2] Depreciation is not specifically disclosed in the Financial Statements
[3] See notes 4 and 5 to the Financial Statements

The free cash flow for the three months ended March 31, 2023 including the free cash flow contribution of the Cor4 acquisition from the effective date of January 1, 2023 to the completion date of March 3, 2023 amounts to USD 16,259 thousand.

EBITDA

The following table sets out the reconciliation from net result from the consolidated statement of operations to EBITDA:

	Three months ended March 31	
USD Thousands	2023	2022
Net result	39,563	80,822
Net financial items	5,015	6,607
Income tax	15,611	27,498
Depletion	6,439	27,952
Depreciation of other tangible fixed assets	2,558	2,080
Exploration and business development costs	1,609	101
Depreciation included in general, administration and depreciation expenses [1]	383	403
EBITDA	71,178	145,463

[1] Item is not shown in the Financial Statements

The EBITDA for the three months ended March 31, 2023 including the EBITDA contribution of the Cor4 acquisition from the effective date of January 1, 2023 to the completion date of March 3, 2023 amounts to USD 76,079 thousand.

Operating costs

The following table sets out how operating costs is calculated:

	Three months ended March 31	
USD Thousands	2023	2022
Production costs	117,527	110,549
Cost of blending	(47,817)	(42,641)
Change in inventory position	5,735	3,553
Operating costs	75,445	71,461

The operating costs for the three months ended March 31, 2023 including the operating costs contribution of the Cor4 acquisition from the effective date of January 1, 2023 to the completion date of March 3, 2023 amounts to USD 82,246 thousand.

Net cash / (debt)

The following table sets out how net cash / (debt) is calculated from figures shown in the Financial Statements:

USD Thousands	March 31, 2023	March 31, 2022
Bank loans	(11,510)	(12,142)
Bonds	(300,000)	(300,000)
Cash and cash equivalents	378,466	487,240
Net cash / (debt)	66,956	175,098

Reserves and Resource Advisory

This press release contains references to estimates of gross and net reserves and resources attributed to the Corporation's oil and gas assets. For additional information with respect to such reserves and resources, refer to “Reserves and Resource Advisory” in IPC's MD&A and AIF. Light, medium and heavy crude oil reserves/resources disclosed in this press release include solution gas and other by-products. Also see “Supplemental Information regarding Product Types” below.

Reserve estimates, contingent resource estimates and estimates of future net revenue in respect of IPC’s oil and gas assets in Canada (other than the assets acquired in the Cor4 acquisition) are effective as of December 31, 2022, 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, 2022 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, 2022, 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, 2022 price forecasts.

Reserve estimates and estimates of future net revenue in respect of IPC’s oil and gas assets acquired in the Cor4 acquisition are effective as of December 31, 2022, and have been audited by a qualified reserves auditor (as defined in NI 51-101), in accordance with NI 51-101 and the COGE Handbook, and using Sproule’s December 31, 2022, price forecasts.

The price forecasts used in the Sproule and ERCE reports, and in respect of IPC’s oil and gas assets acquired in the Cor4 acquisition, are available on the website of Sproule (sproule.com) and are contained in the AIF. These price forecasts are as at December 31, 2022 and may not be reflective of current and future forecast commodity prices.

The reserve life index (RLI) is calculated by dividing the 2P reserves of 487 MMboe as at December 31, 2022 (including 15.9 MMboe acquired in the Cor4 acquisition), by the mid-point of the 2023 CMD production guidance of 48,000 to 50,000 boepd.

IPC uses the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). A BOE conversion ratio of 6:1 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 press release:

	Heavy Crude Oil (Mbopd)	Light and Medium Crude Oil (Mbopd)	Conventional Natural Gas (per day)	Total (Mboepd)
Three months ended				
March 31, 2023	26.6	9.5	99.9 MMcf (16.7 Mboe)	52.8
March 31, 2022	22.2	8.0	93.6 MMcf (15.6 Mboe)	45.8
Year ended				
December 31, 2022	22.6	9.6	98.1 MMcf (16.4 Mboe)	48.6

This press release also makes reference to IPC's forecast total average daily production of 48,000 to 50,000 boepd for 2023. IPC estimates that approximately 50% of that production will be comprised of heavy oil, approximately 17% 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.