



NOTICES OF SPECIAL MEETINGS
and
NOTICE OF ORIGINATING APPLICATION
and
JOINT MANAGEMENT INFORMATION CIRCULAR
with respect to, among other things, the proposed
ARRANGEMENT
involving
INTERNATIONAL PETROLEUM CORPORATION
and
BLACKPEARL RESOURCES INC.
November 9, 2018

These materials are important and require your immediate attention. They require shareholders of International Petroleum Corporation and securityholders of BlackPearl Resources Inc. to make important decisions. If you are in doubt as to how to make such decisions please contact your financial, legal, tax or other professional advisors.

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November 9, 2018

Dear IPC Shareholders:

You are invited to attend a special meeting (the "**IPC Shareholders' Meeting**") of holders ("**IPC Shareholders**") of common shares ("**IPC Shares**") in the capital of International Petroleum Corporation ("**IPC**") to be held in the President's Room located at the Calgary Petroleum Club, 319 5th Avenue S.W., Calgary, Alberta, Canada at 10:00 a.m. (Calgary time) on December 7, 2018. At the IPC Shareholders' Meeting, IPC Shareholders will be asked to consider and vote upon the issuance of IPC Shares (the "**IPC Share Issuance Resolution**") in connection with a proposed plan of arrangement (the "**Arrangement**") involving IPC, BlackPearl Resources Inc. ("**BlackPearl**") and the securityholders of BlackPearl ("**BlackPearl Securityholders**") under Section 192 of the *Canada Business Corporations Act*. **In order to ensure your vote is counted at the IPC Shareholders' Meeting, please complete the enclosed form of proxy and submit it as soon as possible.**

The Arrangement

On October 9, 2018, IPC and BlackPearl entered into an arrangement agreement, pursuant to which IPC agreed to acquire all of the issued and outstanding common shares of BlackPearl ("**BlackPearl Shares**"). Under the terms of the Arrangement, holders of BlackPearl Shares ("**BlackPearl Shareholders**") will be entitled to receive 0.22 of an IPC Share for each BlackPearl Share held.

Upon completion of the Arrangement, current IPC Shareholders are expected to collectively own approximately 54%, and former BlackPearl Shareholders are expected to collectively own approximately 46%, of the then outstanding IPC Shares. Completion of the Arrangement is subject to, among other things: (a) the approval of a special resolution (the "**BlackPearl Arrangement Resolution**") approving the Arrangement at a special meeting of BlackPearl Securityholders (the "**BlackPearl Securityholders' Meeting**"); (b) the approval of the Court of Queen's Bench of Alberta; (c) the receipt of all consents, waivers and approvals with respect to the Arrangement by the external lenders of each of IPC and BlackPearl; and (d) the receipt of all necessary regulatory approvals.

Concurrently with the completion of the Arrangement, IPC will appoint John Festival, currently a director and the President and Chief Executive Officer of BlackPearl, to the IPC Board to serve until the next annual meeting of IPC Shareholders or until his successor is duly appointed. In addition, certain executive officers of BlackPearl will join the management team of IPC following completion of the Arrangement.

IPC Shareholder Vote

IPC Shareholders are not required to approve the Arrangement itself. However, they are required, pursuant to the rules of the Toronto Stock Exchange (the "**TSX**"), to approve the issuance of IPC Shares as consideration under the Arrangement. The IPC Share Issuance Resolution must be approved by a majority of the votes cast by the IPC Shareholders present in person or represented by proxy at the IPC Shareholders' Meeting after excluding the votes cast by those "insiders" of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual. If the IPC Share Issuance Resolution is not approved at the IPC Shareholders' Meeting, the Arrangement will not be completed.

If the requisite shareholder and regulatory approvals are obtained and all other conditions to the Arrangement becoming effective are satisfied or waived, it is expected that the Arrangement will be completed effective on or about December 14, 2018.

The accompanying joint management information circular of IPC and BlackPearl dated November 9, 2018 (the "**Circular**") contains a detailed description of the Arrangement and the matters to be considered at the IPC Shareholders' Meeting and the BlackPearl Securityholders' Meeting, as well as detailed information regarding IPC and BlackPearl and certain *pro forma* financial information regarding IPC after giving effect to the Arrangement. It also includes certain risk factors relating to the completion of the Arrangement and the other transactions described in the Circular. Please give this material your careful consideration and, if you require assistance, consult your financial, tax or other professional advisors.

IPC Board Approval and Recommendation

THE BOARD OF DIRECTORS OF IPC (THE "IPC BOARD") HAS UNANIMOUSLY DETERMINED THAT THE ARRANGEMENT IS IN THE BEST INTERESTS OF IPC, AND UNANIMOUSLY RECOMMENDS THAT IPC SHAREHOLDERS VOTE IN FAVOUR OF THE IPC SHARE ISSUANCE RESOLUTION.

Voting and Support Agreements

On October 9, 2018, all of the directors and executive officers of IPC, as well as the largest IPC Shareholder, who collectively hold approximately 34% of the outstanding IPC Shares, entered into voting and support agreements with BlackPearl, pursuant to which they agreed, subject to the terms and conditions set forth therein, to vote the IPC Shares beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the IPC Share Issuance Resolution and to otherwise support the Arrangement. Pursuant to Section 611(b) of the TSX Company Manual, the votes cast by those IPC Shareholders who are insiders of IPC and who, together with their associates and affiliates, will receive IPC Shares under the Arrangement will be excluded for the purpose of determining approval of the IPC Share Issuance Resolution. It is expected that the votes in respect of approximately 32.74% of the outstanding IPC Shares will be excluded for the purpose of determining approval of the IPC Share Issuance Resolution.

In addition, each of the aforementioned IPC shareholders has agreed not to, directly or indirectly, sell, transfer, convey, assign or otherwise dispose of any IPC Shares held by them, except with the prior written approval of IPC, for a period of six months following the completion of the Arrangement.

On the same date, all of the directors and executive officers of BlackPearl, as well as certain other BlackPearl Securityholders, holding an aggregate of approximately 35% of the outstanding BlackPearl Shares, entered into voting and support agreements with IPC, pursuant to which they agreed, subject to the terms and conditions set forth therein, to vote the BlackPearl Shares beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the BlackPearl Arrangement Resolution and to otherwise support the Arrangement. In addition, each of the executive officers of BlackPearl and certain other BlackPearl Shareholders have agreed not to, directly or indirectly, sell, transfer, convey, assign or otherwise dispose of any IPC Shares held or acquired under the Arrangement by them, except with the prior written approval of IPC, for a period of six months following the completion of the Arrangement.

Voting at the IPC Shareholders' Meeting

To be represented at the IPC Shareholders' Meeting, you must either attend the IPC Shareholders' Meeting in person or complete and sign the applicable enclosed form of proxy. If you are a registered IPC Shareholder (i.e., those IPC Shareholders holding a physical share certificate or DRS Advice registered in their name and representing their IPC Shares) and are unable to attend the IPC Shareholders' Meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada, IPC's transfer agent. To be valid, completed proxy forms must be dated, completed, signed and deposited with Computershare Trust Company of Canada: (a) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of

Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5; (b) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or (c) by facsimile to (416) 263-9524 or 1-866-249-7775. You may also vote through the internet at www.investorvote.com and you may appoint another person to be your proxyholder (you will require your 15-digit control number found on your proxy form). Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (Calgary time) on December 5, 2018. If you are unable to attend the IPC Shareholders' Meeting, please complete and deliver the enclosed form of proxy as soon as possible in order to ensure your representation at the IPC Shareholders' Meeting.

If you are a non-registered IPC Shareholder and have received these materials from your broker or another intermediary, please complete and return the form of proxy or other authorization form provided to you by your broker or intermediary in accordance with the instructions provided. Failure to do so may result in your IPC Shares not being eligible to be voted at the IPC Shareholders' Meeting. See "*Information for Beneficial Holders*" in the Circular.

On behalf of the IPC Board, I would like to express our gratitude for the support our shareholders have demonstrated with respect to our decision to move forward with the proposed acquisition of BlackPearl. We look forward to seeing you at the IPC Shareholders' Meeting.

Yours very truly,

(signed) "*Mike Nicholson*"
Mike Nicholson
Chief Executive Officer
International Petroleum Corporation



November 9, 2018

Dear BlackPearl Securityholders:

You are invited to attend a special meeting (the "**BlackPearl Securityholders' Meeting**") of holders ("**BlackPearl Shareholders**") of common shares ("**BlackPearl Shares**") in the capital of BlackPearl Resources Inc. ("**BlackPearl**") and holders ("**BlackPearl Optionholders**" and, together with BlackPearl Shareholders, "**BlackPearl Securityholders**") of options to acquire BlackPearl Shares (the "**BlackPearl Options**") to be held in the President's Room located at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta, Canada at 9:00 a.m. (Calgary time) on December 7, 2018. At the BlackPearl Securityholders' Meeting, BlackPearl Securityholders will be asked to consider and vote upon a special resolution (the "**BlackPearl Arrangement Resolution**") approving the proposed plan of arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving International Petroleum Corporation ("**IPC**"), BlackPearl, the BlackPearl Securityholders and the holders of restricted share units of BlackPearl ("**BlackPearl RSUs**" and, together with BlackPearl Options, "**BlackPearl Incentive Awards**"). **In order to ensure your vote is counted at the BlackPearl Securityholders' Meeting, please complete the enclosed form of proxy and submit it as soon as possible.**

The Arrangement

On October 9, 2018, IPC and BlackPearl entered into an arrangement agreement, pursuant to which IPC agreed to acquire all of the issued and outstanding BlackPearl Shares. Under the terms of the Arrangement, BlackPearl Shareholders will be entitled to receive 0.22 of a common share of IPC (each whole share, an "**IPC Share**") for each BlackPearl Share held.

Upon completion of the Arrangement, current holders of IPC Shares ("**IPC Shareholders**") are expected to collectively own approximately 54%, and former BlackPearl Shareholders are expected to collectively own approximately 46%, of the then outstanding IPC Shares. Completion of the Arrangement is subject to, among other things: (a) the approval by IPC Shareholders of an ordinary resolution (the "**IPC Share Issuance Resolution**") respecting the issuance of IPC Shares in connection with the Arrangement at a special meeting of IPC Shareholders (the "**IPC Shareholders' Meeting**"); (b) the approval by BlackPearl Securityholders of the BlackPearl Arrangement Resolution at the BlackPearl Securityholders' Meeting; (c) the approval of the Court of Queen's Bench of Alberta; (d) the receipt of all consents, waivers and approvals with respect to the Arrangement by the external lenders of each of IPC and BlackPearl; and (e) the receipt of all necessary regulatory approvals.

The accompanying joint management information circular of BlackPearl and IPC dated November 9, 2018 (the "**Circular**") contains a detailed description of the Arrangement and the matters to be considered at the BlackPearl Securityholders' Meeting and the IPC Shareholders' Meeting, as well as detailed information regarding BlackPearl and IPC and certain *pro forma* financial information regarding IPC after giving effect to the Arrangement. It also includes certain risk factors relating to the completion of the Arrangement and the other transactions described in the Circular. Please give this material your careful consideration and, if you require assistance, consult your financial, tax or other professional advisors.

BlackPearl Securityholder Vote

The BlackPearl Arrangement Resolution must be approved by: (a) not less than two-thirds (66⅔%) of the votes cast by BlackPearl Securityholders, voting together as a single class, present in person or represented by proxy at the BlackPearl Securityholders' Meeting; and (b) not less than a simple majority

of the votes cast by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by those persons whose votes are required to be excluded under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. If the BlackPearl Arrangement Resolution is not approved at the BlackPearl Securityholders' Meeting, the Arrangement will not be completed.

If the requisite shareholder and regulatory approvals are obtained and all other conditions to the Arrangement becoming effective are satisfied or waived, it is expected that the Arrangement will be completed effective on or about December 14, 2018.

BlackPearl Board Approval and Recommendation

THE BOARD OF DIRECTORS OF BLACKPEARL (THE "BLACKPEARL BOARD") HAS UNANIMOUSLY DETERMINED THAT THE ARRANGEMENT IS FAIR TO THE BLACKPEARL SHAREHOLDERS AND IN THE BEST INTERESTS OF BLACKPEARL AND THE BLACKPEARL SHAREHOLDERS, AND UNANIMOUSLY RECOMMENDS THAT BLACKPEARL SHAREHOLDERS VOTE IN FAVOUR OF THE BLACKPEARL ARRANGEMENT RESOLUTION.

Dissent Rights

If you are a registered BlackPearl Shareholder (i.e., those BlackPearl Shareholders holding a physical share certificate registered in their name and representing their BlackPearl Shares), you have the right to dissent in respect of the BlackPearl Arrangement Resolution and, if the Arrangement becomes effective and upon strict compliance with the dissent procedures, to be paid the fair value of your BlackPearl Shares. **There can be no assurance that a dissenting BlackPearl Shareholder will receive consideration for its BlackPearl Shares of equal or greater value to the consideration that such dissenting BlackPearl Shareholder would have received under the Arrangement.** This right of dissent is described in the Circular. If you fail to strictly comply with the dissent procedures set out in the accompanying Circular, you may not be able to exercise your right of dissent.

If you are a beneficial owner of BlackPearl Shares registered in the name of a broker, investment dealer, bank, trust company or other intermediary, and wish to dissent, you should be aware that **only registered BlackPearl Shareholders are entitled to exercise dissent rights**. A registered BlackPearl Shareholder who holds BlackPearl Shares on behalf of more than one beneficial owner, some of whom wish to exercise dissent rights, must exercise dissent rights on behalf of such beneficial holders. A dissenting BlackPearl Shareholder may only dissent with respect to all BlackPearl Shares held on behalf of any one beneficial owner.

In order for a registered BlackPearl Shareholder to exercise dissent rights, such registered BlackPearl Shareholder's written objection to the BlackPearl Arrangement Resolution must be received by BlackPearl c/o of Bennett Jones LLP, 4500 Bankers Hall East, 855 2nd Street S.W., Calgary, Alberta T2P 4K7, facsimile: (403) 265-7219, Attention: Justin R. Lambert, by 4:00 p.m. (Calgary time) on December 5, 2018, or by 4:00 p.m. (Calgary time) on the date that is five business days prior to the date that any adjournment or postponement of the BlackPearl Securityholders' Meeting is reconvened or held, as the case may be.

Holders of BlackPearl Incentive Awards are not entitled to any rights to dissent in respect of any BlackPearl Incentive Awards held.

Voting and Support Agreements

On October 9, 2018, all of the directors and executive officers of BlackPearl, as well as certain other BlackPearl Shareholders, who collectively hold approximately 35% of the outstanding BlackPearl Shares, entered into voting and support agreements with IPC, pursuant to which they agreed, subject to the terms and conditions set forth therein, to vote the BlackPearl Shares and BlackPearl Options beneficially

owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the BlackPearl Arrangement Resolution and to otherwise support the Arrangement. In addition, each of the executive officers of BlackPearl and certain other BlackPearl Shareholders have agreed not to, directly or indirectly, sell, transfer, convey, assign or otherwise dispose of any IPC Shares held or acquired under the Arrangement by them, except with the prior written approval of IPC, for a period of six months following the completion of the Arrangement.

On the same date, all of the directors and executive officers of IPC, as well as the largest IPC Shareholder, who collectively hold approximately 34% of the outstanding IPC Shares, entered into voting and support agreements with BlackPearl, pursuant to which they agreed, subject to the terms and conditions set forth therein, to vote the IPC Shares beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the IPC Share Issuance Resolution and to otherwise support the Arrangement. Pursuant to Section 611(b) of the Toronto Stock Exchange Company Manual, the votes cast by those IPC Shareholders who are insiders of IPC and who, together with their associates and affiliates, will receive IPC Shares under the Arrangement will be excluded for the purpose of determining approval of the IPC Share Issuance Resolution. It is expected that the votes in respect of approximately 32.74% of the outstanding IPC Shares will be excluded for the purpose of determining approval of the IPC Share Issuance Resolution.

In addition, each of the aforementioned IPC shareholders has agreed not to, directly or indirectly, sell, transfer, convey, assign or otherwise dispose of any IPC Shares held by them, except with the prior written approval of IPC, for a period of six months following the completion of the Arrangement.

Voting at the BlackPearl Securityholders' Meeting

To be represented at the BlackPearl Securityholders' Meeting, you must either attend the BlackPearl Securityholders' Meeting in person or complete and sign the applicable enclosed form of proxy. If you are a registered BlackPearl Securityholder and are unable to attend the BlackPearl Securityholders' Meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada, BlackPearl's transfer agent. To be valid, completed proxy forms must be dated, completed, signed and deposited with Computershare Trust Company of Canada: (a) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5; (b) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or (c) by facsimile to (416) 263-9524 or 1-866-249-7775. You may also vote through the internet at www.investorvote.com and you may appoint another person to be your proxyholder (you will require your 15-digit control number found on your proxy form). Your proxy or voting instructions must be received in each case no later than 9:00 a.m. (Calgary time) on December 5, 2018 or, if the BlackPearl Securityholders' Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjournment of the BlackPearl Securityholders' Meeting. If you are unable to attend the BlackPearl Securityholders' Meeting, we encourage you to complete the enclosed form of proxy as soon as possible in order to ensure your representation at the BlackPearl Securityholders' Meeting.

If you are a non-registered BlackPearl Shareholder and have received these materials from your broker, investment dealer, bank, trust company or other intermediary, please complete and return the form of proxy or other authorization form provided to you by your broker, investment dealer, bank, trust company or other intermediary in accordance with the instructions provided herein. Failure to do so may result in your BlackPearl Shares not being eligible to be voted at the BlackPearl Securityholders' Meeting. See "*Information for Beneficial Holders*" in the Circular.

Exchange of BlackPearl Shares for IPC Shares

Also enclosed is a letter of transmittal ("**Letter of Transmittal**") for use by registered BlackPearl Shareholders, which contains complete instructions on how to exchange your BlackPearl Shares for the IPC Shares you will be entitled to receive upon completion of the Arrangement. If you are a registered

BlackPearl Shareholder, you should complete and deliver the Letter of Transmittal and the certificate(s) representing your BlackPearl Shares to Computershare Investor Services Inc. in accordance with the instructions provided therein. See "*Effect of the Arrangement – General*" in the Circular.

If you hold BlackPearl Shares through a broker, investment dealer, bank, trust company or other intermediary, you will need to provide instructions to your broker, investment dealer, bank, trust company or other intermediary to complete the Letter of Transmittal.

On behalf of the BlackPearl Board, I would like to express our gratitude for the support our securityholders have demonstrated with respect to our decision to move forward with the Arrangement. We look forward to seeing you at the BlackPearl Securityholders' Meeting.

Yours very truly,

(signed) "*John Festival*"

John Festival

President and Chief Executive Officer
BlackPearl Resources Inc.

INTERNATIONAL PETROLEUM CORPORATION

NOTICE OF SPECIAL MEETING OF IPC SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the "**IPC Shareholders' Meeting**") of holders ("**IPC Shareholders**") of common shares ("**IPC Shares**") of International Petroleum Corporation ("**IPC**") will be held on December 7, 2018 in the President's Room located at the Calgary Petroleum Club, 319 5th Avenue S.W., Calgary, Alberta, Canada at 10:00 a.m. (Calgary time) for the following purposes:

1. to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution, the full text of which is set forth in Appendix A to the accompanying joint management information circular of IPC and BlackPearl Resources Inc. ("**BlackPearl**") dated November 9, 2018 (the "**Circular**"), approving the issuance of up to 81,157,106 IPC Shares pursuant to a plan of arrangement under Section 192 of the *Canada Business Corporations Act* (the "**Arrangement**") involving IPC, BlackPearl and the securityholders of BlackPearl (the "**IPC Share Issuance Resolution**") in accordance with the terms of the arrangement agreement dated October 9, 2018 between IPC and BlackPearl, as more particularly described in the Circular; and
2. to transact such further and other business as may properly be brought before the IPC Shareholders' Meeting or any adjournment(s) or postponement(s) thereof.

Specific details of the matters to be put before the IPC Shareholders' Meeting are set forth in the Circular.

The board of directors of IPC has unanimously determined that the Arrangement is in the best interests of IPC, and unanimously recommends that IPC Shareholders vote in favour of the IPC Share Issuance Resolution. It is a condition to the completion of the Arrangement that the IPC Share Issuance Resolution be approved at the IPC Shareholders' Meeting.

If the IPC Share Issuance Resolution is not approved by the IPC Shareholders at the IPC Shareholders' Meeting, the Arrangement will not be completed.

Each IPC Share entitled to be voted in respect of the IPC Share Issuance Resolution will entitle the holder to one vote at the IPC Shareholders' Meeting. The IPC Share Issuance Resolution must be approved by a majority of the votes cast by the IPC Shareholders present in person or represented by proxy at the IPC Shareholders' Meeting after excluding the votes cast by those "insiders" of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual.

The record date (the "**IPC Record Date**") for determination of IPC Shareholders entitled to receive notice of and to vote at the IPC Shareholders' Meeting is the close of business on November 9, 2018. Only IPC Shareholders whose names have been entered in the register of holders of IPC Shares on the close of business on the IPC Record Date will be entitled to receive notice of and to vote at the IPC Shareholders' Meeting.

Registered IPC Shareholders may attend the IPC Shareholders' Meeting in person or may be represented by proxy. IPC Shareholders who are unable to attend the IPC Shareholders' Meeting or any adjournment(s) or postponement(s) thereof in person are requested to date, sign and return the accompanying form of proxy for use at the IPC Shareholders' Meeting or any adjournment(s) or postponement(s) thereof. To be valid, completed proxy forms must be dated, completed, signed and deposited with IPC's transfer agent, Computershare Trust Company of Canada: (a) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5; (b) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or (c) by facsimile to (416) 263-9524 or 1-866-249-7775. You may also vote through the internet at www.investorvote.com and you may appoint another person to be your proxyholder (you will require your 15-digit control number found on your proxy form). Your proxy or voting instructions must be

received in each case no later than 10:00 a.m. (Calgary time) on December 5, 2018. If an IPC Shareholder receives more than one form of proxy because such IPC Shareholders owns IPC Shares registered in different names or addresses, each form of proxy should be completed and returned. The Chair of the IPC Shareholders' Meeting will have the discretion to accept all, but not less than all, valid proxies received after the foregoing deadline and prior to the IPC Shareholders' Meeting.

A proxyholder has discretion under the accompanying form of proxy in respect of amendments or variations to matters identified in this Notice of Meeting and with respect to other matters which may properly come before the IPC Shareholders' Meeting, or any adjournment or postponement thereof. As of the date hereof, management of IPC knows of no amendments, variations or other matters to come before the IPC Shareholders' Meeting other than the matters set forth in this Notice of Meeting. IPC Shareholders who are planning on returning the form of proxy are encouraged to review the Circular carefully before submitting the proxy form.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote in favour of the IPC Share Issuance Resolution.

Dated at Calgary, Alberta, this 9th day of November, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS OF
INTERNATIONAL PETROLEUM CORPORATION**

(signed) "*Lukas H. Lundin*"

Lukas H. Lundin

Chairman of the Board of Directors

International Petroleum Corporation

BLACKPEARL RESOURCES INC.

NOTICE OF SPECIAL MEETING OF BLACKPEARL SECURITYHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the "**BlackPearl Securityholders' Meeting**") of holders ("**BlackPearl Shareholders**") of common shares ("**BlackPearl Shares**") in the capital of BlackPearl Resources Inc. ("**BlackPearl**") and holders ("**BlackPearl Optionholders**" and, together with BlackPearl Shareholders, "**BlackPearl Securityholders**") of options to acquire BlackPearl Shares ("**BlackPearl Options**") will be held on December 7, 2018 in the President's Room located at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta, at 9:00 a.m. (Calgary time) for the following purposes:

1. to consider, pursuant to an interim order, and, if deemed advisable, to approve, with or without variation, a special resolution, the full text of which is set forth in Appendix B to the accompanying joint management information circular of BlackPearl and International Petroleum Corporation ("**IPC**") dated November 9, 2018 (the "**Circular**"), approving a plan of arrangement under Section 192 of the *Canada Business Corporations Act* (the "**Arrangement**") involving IPC, BlackPearl, the BlackPearl Securityholders and the holders of restricted share units of BlackPearl ("**BlackPearl RSUs**" and, together with the BlackPearl Options, the "**BlackPearl Incentive Awards**") (the "**BlackPearl Arrangement Resolution**"), as more particularly described in the accompanying Circular; and
2. to transact such further and other business as may properly be brought before the BlackPearl Securityholders' Meeting or any adjournment(s) or postponement(s) thereof.

Specific details of the matters to be put before the BlackPearl Securityholders' Meeting are set forth in the Circular.

The board of directors of BlackPearl has unanimously determined that the Arrangement is fair to the BlackPearl Shareholders and is in the best interests of BlackPearl and the BlackPearl Shareholders, and unanimously recommends that BlackPearl Shareholders vote in favour of the BlackPearl Arrangement Resolution. It is a condition to the completion of the Arrangement that the BlackPearl Arrangement Resolution be approved at the BlackPearl Securityholders' Meeting.

If the BlackPearl Arrangement Resolution is not approved by the BlackPearl Securityholders at the BlackPearl Securityholders' Meeting, the Arrangement will not be completed.

Each BlackPearl Share and BlackPearl Option entitled to be voted in respect of the BlackPearl Arrangement Resolution will entitle the holder to one vote at the BlackPearl Securityholders' Meeting. The BlackPearl Arrangement Resolution must be approved by: (a) not less than two-thirds (66⅔%) of the votes cast by BlackPearl Securityholders, voting together as a single class, present in person or represented by proxy at the BlackPearl Securityholders' Meeting; and (b) not less than a simple majority of the votes cast by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by those persons whose votes are required to be excluded under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. If the BlackPearl Arrangement Resolution is not approved at the BlackPearl Securityholders' Meeting, the Arrangement will not be completed.

If you are a registered BlackPearl Shareholder (i.e., you hold a physical share certificate representing BlackPearl Shares held in your name), you have the right to dissent in respect of the BlackPearl Arrangement Resolution and, if the Arrangement becomes effective and upon strict compliance with the dissent procedures, to be paid the fair value of your BlackPearl Shares. **There can be no assurance that a dissenting BlackPearl Shareholder will receive consideration for its BlackPearl Shares of equal or greater value to the consideration that such dissenting BlackPearl Shareholder would have received under the Arrangement.** This right of dissent is described in the accompanying Circular.

If you fail to strictly comply with the dissent procedures set out in the accompanying Circular, you may not be able to exercise your right of dissent.

If you are a beneficial owner of BlackPearl Shares registered in the name of a broker, investment dealer, bank, trust company or other intermediary, and wish to dissent, you should be aware that **only registered BlackPearl Shareholders are entitled to exercise dissent rights**. A Registered BlackPearl Shareholder who holds BlackPearl Shares on behalf of more than one beneficial owner, some of whom wish to exercise dissent rights, must exercise dissent rights on behalf of such beneficial holders who wish to dissent. A dissenting BlackPearl Shareholder may only dissent with respect to all BlackPearl Shares held on behalf of any one beneficial owner.

Holders of BlackPearl Incentive Awards are not entitled to any rights to dissent in respect of any BlackPearl Incentive Awards held.

The record date (the "**BlackPearl Record Date**") for determination of BlackPearl Securityholders entitled to receive notice of and to vote at the BlackPearl Securityholders' Meeting is the close of business on November 9, 2018. Only BlackPearl Securityholders whose names have been entered in the register of BlackPearl Shareholders and the register of BlackPearl Optionholders, as applicable, on the close of business on the BlackPearl Record Date will be entitled to receive notice of and to vote at the BlackPearl Securityholders' Meeting.

Registered BlackPearl Securityholders may attend the BlackPearl Securityholders' Meeting in person or may be represented by proxy. BlackPearl Securityholders who are unable to attend the BlackPearl Securityholders' Meeting or any adjournment(s) or postponement(s) thereof in person are requested to date, sign and return the accompanying form of proxy for use at the BlackPearl Securityholders' Meeting or any adjournment(s) or postponement(s) thereof. To be valid, completed proxy forms must be dated, completed, signed and deposited with BlackPearl's transfer agent, Computershare Trust Company of Canada: (a) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5; (b) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or (c) by facsimile to (416) 263-9524 or 1-866-249-7775. You may also vote through the internet at www.investorvote.com and you may appoint another person to be your proxyholder (you will require your 15-digit control number found on your proxy form). Your proxy or voting instructions must be received in each case no later than 9:00 a.m. (Calgary time) on December 5, 2018 or, if the BlackPearl Securityholders' Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjournment or postponement of the BlackPearl Securityholders' Meeting. If a BlackPearl Securityholder receives more than one form of proxy because such BlackPearl Securityholder owns BlackPearl Shares registered in different names or addresses, each form of proxy should be completed and returned. The Chair of the BlackPearl Securityholders' Meeting will have the discretion to accept all, but not less than all, valid proxies received after the foregoing deadline and prior to the BlackPearl Securityholders' Meeting.

A proxyholder has discretion under the accompanying form of proxy in respect of amendments or variations to matters identified in this Notice of Meeting and with respect to other matters which may properly come before the BlackPearl Securityholders' Meeting, or any adjournment or postponement thereof. As of the date hereof, management of BlackPearl knows of no amendments, variations or other matters to come before the BlackPearl Securityholders' Meeting other than the matters set forth in this Notice of Meeting. BlackPearl Securityholders who are planning on returning the form of proxy are encouraged to review the Circular carefully before submitting the proxy form.

Also enclosed is a letter of transmittal ("**Letter of Transmittal**") for use by registered BlackPearl Shareholders, which contains complete instructions on how to exchange your BlackPearl Shares for the IPC Shares you will be entitled to receive upon completion of the Arrangement. If you are a registered BlackPearl Shareholder, you should complete and deliver the Letter of Transmittal and the certificate(s) representing your BlackPearl Shares to Computershare Investor Services Inc. in accordance with the instructions provided therein. See "*Effect of the Arrangement – General*" in the Circular. BlackPearl

Shareholders whose BlackPearl Shares are registered in the name of a broker, investment dealer, bank, trust company or other intermediary must contact such intermediary to deposit their BlackPearl Shares.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote in favour of the BlackPearl Arrangement Resolution.

Dated at Calgary, Alberta, this 9th day of November, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS OF
BLACKPEARL RESOURCES INC.**

(signed) "*John Festival*"
John Festival
President and Chief Executive Officer
BlackPearl Resources Inc.

IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING INTERNATIONAL
PETROLEUM CORPORATION, BLACKPEARL RESOURCES INC. AND THE SECURITYHOLDERS
OF BLACKPEARL RESOURCES INC.

NOTICE OF ORIGINATING APPLICATION

NOTICE IS HEREBY GIVEN that an originating application (the "**Application**") has been filed with the Court of Queen's Bench of Alberta, Judicial Centre of Calgary (the "**Court**") on behalf of BlackPearl Resources Inc. ("**BlackPearl**") with respect to a proposed arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**"), involving International Petroleum Corporation ("**IPC**"), BlackPearl, the holders of common shares of BlackPearl ("**BlackPearl Shareholders**"), the holders of options to acquire common shares of BlackPearl (together, with the BlackPearl Shareholders, the "**BlackPearl Securityholders**") and the holders of restricted share units of BlackPearl, which Arrangement is more particularly described in the joint management information circular of BlackPearl and IPC dated November 9, 2018 accompanying this Notice of Application. At the hearing of the Application, BlackPearl intends to seek:

1. a declaration that the terms and conditions of the Arrangement, and the procedures relating thereto, are fair to the persons affected from a substantive and procedural point of view;
2. an order approving the Arrangement pursuant to the provisions of Section 192 of the CBCA;
3. a declaration that the Arrangement will, upon the filing of the Articles of Arrangement pursuant to the provisions of Section 192 of the CBCA, become effective in accordance with its terms and will be binding on and after the effective date of the Arrangement; and
4. such other and further orders, declarations and directions as the Court may give.

AND NOTICE IS FURTHER GIVEN that the said Application is directed to be heard before a Justice of the Court, at the Calgary Court Centre, 601 - 5th Street, S.W., Calgary, Alberta, Canada, on Thursday, December 13, 2018 at 3:00 p.m. (Calgary time) or as soon thereafter as counsel may be heard. **Any BlackPearl Securityholder or other interested party desiring to support or oppose the Application may appear at the time of the hearing in person or by counsel for that purpose provided that such BlackPearl Securityholder or other interested party files with the Court and serves upon BlackPearl on or before 5:00 p.m. (Calgary time) on December 4, 2018, a notice of intention to appear (the "Notice of Intention to Appear") setting out such BlackPearl Securityholder's or interested party's address for service in the Province of Alberta and indicating whether such BlackPearl Securityholder or interested party intends to support or oppose the Application or make submissions, together with a summary of the position that BlackPearl Securityholder or interested party intends to advance before the Court and any evidence or materials which are to be presented to the Court.** Service on BlackPearl is to be effected by delivery to its solicitors at the address set forth below.

AND NOTICE IS FURTHER GIVEN that, at the hearing and subject to the foregoing, BlackPearl Securityholders and any other interested persons will be entitled to make representations as to, and the Court will be requested to consider, the fairness of the Arrangement. If you do not attend, either in person or represented by counsel, at that time, the Court may approve or refuse to approve the Arrangement as

presented, or may approve it subject to such terms and conditions as the Court may deem fit, without any further notice.

AND NOTICE IS FURTHER GIVEN that the Court, by the interim order dated November 9, 2018 (the "**Interim Order**"), has given directions as to the calling and holding of a special meeting of the BlackPearl Securityholders for the purpose of such BlackPearl Securityholders voting upon a special resolution to approve the Arrangement and, in particular, has directed that registered BlackPearl Shareholders have the right to dissent in accordance with the provisions of Section 190 of the CBCA, as modified by the terms of the Interim Order, in respect of the Arrangement.

AND NOTICE IS FURTHER GIVEN that the final order approving the Arrangement will, if granted, serve as the basis for an exemption from the registration requirements of the United States Securities Act of 1933, as amended, pursuant to Section 3(a)(10) thereof, with respect to the issuance of the common shares of IPC to BlackPearl Shareholders pursuant to the Arrangement.

AND NOTICE IS FURTHER GIVEN that further notice in respect of these proceedings will only be given to those persons who have filed a Notice of Intention to Appear.

AND NOTICE IS FURTHER GIVEN that a copy of the said Application and other documents in the proceedings will be furnished to any BlackPearl Securityholder or other interested party requesting the same by the solicitors for BlackPearl upon written request delivered to such solicitors as follows:

Bennett Jones LLP
4500 Bankers Hall East
855 2nd Street S.W.
Calgary, Alberta, T2P 4K7

Facsimile Number: (403) 265-7219
Attention: Justin R. Lambert

DATED at the City of Calgary, in the Province of Alberta, this 9th day of November, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS
OF BLACKPEARL RESOURCES INC.**

(signed) "*John Festival*"

John Festival
President and Chief Executive Officer

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Circular, including the Summary and Appendices.

"Acquisition Proposal" means any inquiry or the making of any proposal or offer, whether or not in writing, to BlackPearl or the BlackPearl Shareholders from any Person or group of Persons "acting jointly or in concert" (within the meaning of NI 62-104) which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions):

- (a) any direct or indirect sale, issuance or acquisition of BlackPearl Shares or other securities (or securities convertible or exercisable for BlackPearl Shares or other securities) of BlackPearl or any Subsidiary of BlackPearl that, when taken together with the BlackPearl Shares and other securities of BlackPearl held by the proposed acquiror and any Person acting jointly or in concert with such acquiror, represent 20% or more of any class of equity or voting securities of BlackPearl or any Subsidiary of BlackPearl or rights or interests therein and thereto;
- (b) any direct or indirect acquisition of 20% or more of the assets (or any lease, joint venture, acquisition of a royalty interest, production, forward sale or prepayment, development agreement, long-term supply agreement or other arrangement having the same economic effect as a purchase or sale of 20% or more of the assets) of BlackPearl and its Subsidiaries, taken as a whole;
- (c) any amalgamation, arrangement, share exchange, merger, business combination, consolidation, recapitalization, liquidation, dissolution, winding-up, reorganization or other similar transaction involving BlackPearl or its Subsidiaries;
- (d) any take-over bid, issuer bid, exchange offer or other similar transaction involving BlackPearl or its Subsidiaries that, if consummated, would result in a Person or group of Persons acting jointly or in concert with such Person acquiring beneficial ownership of 20% or more of any class of equity or voting securities of BlackPearl or any Subsidiary of BlackPearl; or
- (e) any other similar transaction or series of transactions;

"affiliate" has the meaning set forth in the *Securities Act* (Alberta), except in "*Joint Information Circular – Information for United States Shareholders*" and "*Procedure for the Arrangement to Become Effective – Securities Law Matters – United States*";

"allowable capital loss" has the meaning set forth in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Losses*";

"ARC" has the meaning set forth in "*Procedure for the Arrangement to Become Effective – Regulatory Approvals – Competition Act Approval*";

"Arrangement" means the arrangement pursuant to Section 192 of the CBCA, on the terms and conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of the Plan of Arrangement, including as may be made at the direction of the Court;

"Arrangement Agreement" means the Arrangement Agreement dated October 9, 2018 between IPC and BlackPearl, as supplemented, modified or amended from time to time, a copy of which is attached as Appendix C to this Circular;

"Articles of Arrangement" means the articles of arrangement of BlackPearl in respect of the Arrangement required under subsection 192(6) of the CBCA to be sent to the Director after the Final Order has been granted, giving effect to the Arrangement;

"associate" has the meaning set forth in the *Securities Act* (Alberta);

"Beneficial Holders" has the meaning set forth in *"Information for Beneficial Holders"*;

"BlackPearl" means BlackPearl Resources Inc., a corporation incorporated under the CBCA;

"BlackPearl AIF" means the annual information of BlackPearl dated February 21, 2018 for the year ended December 31, 2017;

"BlackPearl Annual Financial Statements" means the audited consolidated financial statements of BlackPearl, together with the notes thereto and the auditors' report thereon, as at and for the year ended December 31, 2017;

"BlackPearl Annual MD&A" means management's discussion and analysis of BlackPearl dated February 21, 2018 for the year ended December 31, 2017;

"BlackPearl Arrangement Resolution" means the special resolution of the BlackPearl Securityholders in respect of the Arrangement to be considered by the BlackPearl Securityholders at the BlackPearl Securityholders' Meeting, in the form set forth in Appendix B hereto;

"BlackPearl Board" means the board of directors of BlackPearl;

"BlackPearl Circular" means the management information circular of BlackPearl dated March 20, 2018 relating to the annual meeting of BlackPearl Shareholders held on May 3, 2018;

"BlackPearl Credit Facility" means the \$120 million senior revolving credit facility of BlackPearl with a syndicate of financial institutions, which matures on May 26, 2019;

"BlackPearl Disclosure Letter" means the disclosure letter of BlackPearl dated October 9, 2018 and delivered by BlackPearl to IPC in connection with the Arrangement Agreement;

"BlackPearl Fairness Opinion" means the opinion from GMP FirstEnergy, the financial advisor to BlackPearl, that the consideration to be paid by IPC to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the BlackPearl Shareholders, a copy of which is attached as Appendix G to this Circular;

"BlackPearl Incentive Awards" means, collectively, the BlackPearl Options and the BlackPearl RSUs;

"BlackPearl Incentive Plans" means, collectively, the BlackPearl Option Plan and the BlackPearl RSU Plan, including any award agreements related to BlackPearl Incentive Awards granted thereunder;

"BlackPearl Interim Financial Statements" means the unaudited consolidated financial statements of BlackPearl, together with the notes thereto, as at and for the three and nine months ended September 30, 2018;

"BlackPearl Interim MD&A" means management's discussion and analysis of BlackPearl dated November 5, 2018 for the three and nine months ended September 30, 2018;

"BlackPearl Notes" means the \$75 million aggregate principal amount of 8.00% senior secured notes of BlackPearl due June 30, 2020;

"BlackPearl Option In-the-Money Amount" means the amount equal to the amount by which the BlackPearl Share Market Price exceeds the exercise price of a BlackPearl Option;

"BlackPearl Option Plan" means the stock option plan of BlackPearl dated February 25, 2009 and amended and restated effective January 1, 2017;

"BlackPearl Optionholders" means the holders of BlackPearl Options;

"BlackPearl Options" means options to acquire BlackPearl Shares awarded pursuant to the BlackPearl Option Plan;

"BlackPearl Record Date" means November 9, 2018;

"BlackPearl Reserves Reports" means, collectively, the report prepared by Sproule dated January 18, 2018 evaluating the oil and gas reserves attributable to BlackPearl's properties as at December 31, 2017 and the contingent resource reports prepared by Sproule dated January 17, 2018 for the Blackrod, Onion Lake and Mooney properties of BlackPearl as at December 31, 2017;

"BlackPearl RSU Plan" means the restricted share unit plan of BlackPearl dated February 22, 2017, as publicly disclosed by BlackPearl on SEDAR;

"BlackPearl RSUs" means the restricted share units awarded pursuant to the BlackPearl RSU Plan;

"BlackPearl SDRs" means the Swedish depository receipts issued by BlackPearl through Pareto, representing BlackPearl Shares, registered with Euroclear and listed on the Nasdaq;

"BlackPearl Securityholders" means, collectively, the BlackPearl Shareholders and the BlackPearl Optionholders;

"BlackPearl Securityholders' Meeting" means the meeting of the BlackPearl Securityholders, including any adjournment or postponement thereof, to be convened as provided by the Interim Order to consider and, if deemed advisable, approve the BlackPearl Arrangement Resolution;

"BlackPearl Share Market Price" means the volume weighted average trading price of the BlackPearl Shares on the TSX on the second trading day immediately prior to the Effective Date;

"BlackPearl Shareholders" means the holders of BlackPearl Shares;

"BlackPearl Shares" means the common shares in the capital of BlackPearl;

"BlackPearl Special Committee" means the committee of independent directors of BlackPearl formed to consider and evaluate the Arrangement, comprised of Brian Edgar, Joanne Hruska and Victor Luhowy;

"BlackPearl Support Agreements" means the voting and support agreements dated October 9, 2018 between IPC and each of the BlackPearl Supporting Securityholders, pursuant to which the BlackPearl Supporting Securityholders have agreed, among other things, to vote the BlackPearl Shares and BlackPearl Options beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the BlackPearl Arrangement Resolution and to otherwise support the Arrangement;

"BlackPearl Supporting Securityholders" means Lorito Holdings S.à.r.l., Zebra Holdings and Investments S.à.r.l., Burgundy Asset Management Ltd. and each of the directors and executive officers of BlackPearl;

"BlackRod Project" has the meaning set forth in "*The Arrangement – Background to the Arrangement*";

"**Broadridge**" means Broadridge Financial Solutions, Inc.;

"**Business Day**" means any day, other than a Saturday, a Sunday, a statutory holiday any other day when banks in the Provinces of British Columbia or Alberta or in the cities of London, England or Paris, France are not generally open for business;

"**Canadian Securities Administrators**" means the securities commission or other securities regulatory authority of each province and territory of Canada;

"**Canadian Securities Laws**" means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Administrator made thereunder;

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, including the regulations promulgated thereunder, as amended;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Certificate**" means the certificate to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement giving effect to the Arrangement;

"**Circular**" means this joint management information circular of IPC and BlackPearl dated November 9, 2018, together with all Appendices hereto, distributed to IPC Shareholders and BlackPearl Securityholders in connection with the IPC Shareholders' Meeting and BlackPearl Securityholders' Meeting;

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook;

"**Commissioner**" means the Commissioner of Competition appointed under subsection 7(1) of the Competition Act, or his designee;

"**Competition Act**" means the *Competition Act*, R.S.C. 1985, c. C-34, as amended, including the regulations promulgated thereunder, as amended;

"**Competition Act Approval**" means, in respect of the Arrangement, the occurrence of one of the following:

- (a) the issuance to IPC of an advance ruling certificate by the Commissioner under subsection 102(1) of the Competition Act with respect to the transactions contemplated by the Arrangement Agreement; or
- (b) both of (i) the waiting period, including any extension thereof, under Section 123 of the Competition Act has expired or been terminated or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act has been waived in accordance with paragraph 113(c) of the Competition Act, and (ii) IPC has received a letter from the Commissioner indicating that he does not, as of the date of such letter, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement.

"**Confidentiality Agreement**" means the confidentiality agreement dated December 31, 2017 between IPC and BlackPearl;

"**Convention**" has the meaning set forth in "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Holding and Disposing of IPC Shares – Dividends Received on IPC Shares*";

"**CRA**" has the meaning set forth in "*Certain Canadian Federal Income Tax Considerations*";

"**Court**" means the Court of Queen's Bench of Alberta;

"**Demand Notice**" has the meaning set forth in "*Dissent Rights*";

"**Depository**" means Computershare Investor Services Inc.;

"**Director**" means the Director duly appointed under Section 160 of the CBCA;

"**Dissent Notice**" means a written objection to the BlackPearl Arrangement Resolution provided by a Dissenting BlackPearl Shareholder;

"**Dissent Rights**" means the rights of Dissenting BlackPearl Shareholders to dissent to the BlackPearl Arrangement Resolution described in Article 5 of the Plan of Arrangement;

"**Dissent Shares**" means those BlackPearl Shares in respect of which Dissent Rights have been validly exercised by a Dissenting BlackPearl Shareholder;

"**Dissenting BlackPearl Shareholder**" means any Registered BlackPearl Shareholder who has duly and validly exercised its Dissent Rights pursuant to Article 5 of the Plan of Arrangement and the Interim Order, and has not withdrawn, or been deemed to have withdrawn, such exercise of Dissent Rights as at the Effective Time;

"**DRS Advice**" has the meaning set forth in "*Procedure for the Arrangement to Become Effective – Procedure for Exchange of BlackPearl Share Certificates*";

"**EEA**" has the meaning set forth in "*Certain Swedish Income Tax Considerations – Natural Persons who have limited tax liability in Sweden*";

"**Effective Date**" means the effective date of the Arrangement, being the date shown on the Certificate;

"**Effective Time**" means 12:01 a.m. (Calgary time) on the Effective Date or such other time on the Effective Date as may be agreed to in writing by IPC and BlackPearl;

"**Elected Amount**" has the meaning set forth in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Exchange of Shares – Tax Election*";

"**Eligible Holder**" means an Eligible Resident Holder or an Eligible Non-Resident Holder;

"**Eligible Non-Resident Holder**" means a BlackPearl Shareholder (other than a Dissenting BlackPearl Shareholder) immediately prior to the Effective Time who is not, and is not deemed to be, a resident of Canada for purposes of the Tax Act and whose BlackPearl Shares are "taxable Canadian property" and not "treaty-protected property" (each as defined in the Tax Act);

"**Eligible Resident Holder**" means a BlackPearl Shareholder (other than a Dissenting BlackPearl Shareholder) immediately prior to the Effective Time who is a resident of Canada for purposes of the Tax Act (other than a Tax Exempt Person) or a partnership any member of which is a resident of Canada for the purposes of the Tax Act and not a Tax Exempt Person;

"**Encumbrance**" includes any mortgage, pledge, capital lease, assignment, charge, lien, security interest, adverse interest in property, debenture, claim, trust, royalty or other third party interest (whether by Law, contract or otherwise), security interest, conditional sales contract or other title retention agreement or similar interest or instrument to charge or create a security interest in or against title or encumbrance of

any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"Environmental Laws" means, with respect to any Person or its business, activities, property, assets or undertaking, all Laws, including the common law, relating to environmental or health and safety matters in the jurisdictions applicable to such Person or its business, activities, property, assets or undertaking, including, without limitation, legislation governing the reduction of greenhouse gas emissions and the use, transportation, storage and release of Hazardous Substances;

"ERCE" means ERC Equipoise Ltd.;

"Euroclear" means Euroclear Sweden AB;

"Exchange Ratio" means 0.22 of an IPC Share for each BlackPearl Share;

"Exchanges" means the TSX and the Nasdaq;

"Final Order" means the final order of the Court approving the Arrangement pursuant to subsection 192(4)(e) of the CBCA, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed;

"GMP FirstEnergy" means GMP Securities L.P.;

"Governmental Entity" means any: (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body (including any securities commission or similar regulatory authority) exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the Exchanges, as applicable;

"Hazardous Substances" means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws;

"Holder" has the meaning set forth in "*Certain Canadian Federal Income Tax Considerations*";

"IFRS" means International Financial Reporting Standards, as incorporated in the Handbook of the Canadian Institute of Chartered Accountants, at the relevant time applied on a consistent basis;

"insider" has the meaning set forth in the *Securities Act* (Alberta);

"Interim Order" means the interim order of the Court dated November 9, 2018 under subsection 192(4) of the CBCA, as such order may be amended, containing declarations and directions in respect of the notice to be given and the conduct of the BlackPearl Securityholders' Meeting with respect to the Arrangement, a copy of which is attached as Appendix C to this Circular;

"Intermediary" means a broker, investment dealer, bank, trust company, depository or other intermediary;

"IPC" means International Petroleum Corporation, a corporation incorporated under the *Business Corporations Act* (British Columbia);

"IPC AIF" means the annual information of IPC dated March 30, 2018 for the year ended December 31, 2017;

"**IPC Alberta**" means IPC Alberta Ltd., a corporation incorporated under the *Business Corporations Act* (Alberta) and a wholly-owned Subsidiary of IPC;

"**IPC Annual Financial Statements**" means the audited consolidated financial statements of IPC, together with the notes thereto and the auditors' report thereon, as at and for the year ended December 31, 2017;

"**IPC Annual MD&A**" means management's discussion and analysis of IPC for the year ended December 31, 2017;

"**IPC BAR**" means the business acquisition report of IPC dated April 5, 2018 regarding the acquisition of the Suffield area oil and gas assets in Alberta, Canada from Cenovus Energy Inc., together with the auditors' report therein;

"**IPC Board**" means the board of directors of IPC;

"**IPC Circular**" means the management information circular of IPC dated May 30, 2018 relating to the annual meeting of IPC Shareholders held on July 10, 2018;

"**IPC Credit Facilities**" means, collectively, the US\$200 million senior reserve-based revolving credit facility of IPC International with a syndicate of financial institutions, guaranteed by IPC, which matures on June 30, 2022, and the \$225 million senior reserve-based revolving credit facility of IPC Alberta, guaranteed by IPC, which matures on January 5, 2020;

"**IPC Disclosure Letter**" means the disclosure letter of IPC dated October 9, 2018 and delivered by IPC to BlackPearl in connection with the Arrangement Agreement;

"**IPC Fairness Opinion**" means the written fairness opinion of Paradigm Capital dated October 9, 2018, a copy of which is attached as Appendix F to this Circular;

"**IPC Incentive Awards**" means, collectively, the IPC Options, the IPC PSUs, the IPC RSUs, the IPC Transitional PSUs and the IPC Transitional RSUs;

"**IPC Incentive Plans**" means, collectively, the IPC Option Plan, the IPC Share Unit Plan and the IPC Transitional PSU and RSU Plan, including any award agreements related to IPC Incentive Awards granted thereunder;

"**IPC Interim Financial Statements**" means the unaudited consolidated financial statements of IPC, together with the notes thereto, as at and for the three and nine months ended September 30, 2018;

"**IPC Interim MD&A**" means management's discussion and analysis of IPC dated November 6, 2018 for the three and nine months ended September 30, 2018;

"**IPC International**" means International Petroleum B.V., a company incorporated under the Laws of the Netherlands and an indirect, wholly-owned Subsidiary of IPC;

"**IPC Option Plan**" means the stock option plan of IPC dated April 16, 2017 and amended on May 25, 2018;

"**IPC Options**" means options to acquire IPC Shares awarded pursuant to the IPC Option Plan;

"**IPC PSUs**" means the performance share units awarded pursuant to the IPC Share Unit Plan;

"**IPC Record Date**" means November 9, 2018;

"**IPC Reserves Reports**" means, collectively, the report prepared by ERCE dated February 21, 2018 evaluating the reserves, contingent resources and prospective resources attributable to IPC's oil and gas assets in France, Malaysia and the Netherlands as at December 31, 2017 and the report prepared by McDaniel dated February 22, 2018 evaluating the reserves and contingent resources attributable to IPC's oil and gas assets in Canada as at January 5, 2018, being the completion date for the acquisition of the Suffield area oil and gas assets in Alberta, Canada from Cenovus Energy Inc.;

"**IPC RSUs**" means the restricted share units awarded pursuant to the IPC Share Unit Plan;

"**IPC Share Issuance Resolution**" means the ordinary resolution of the IPC Shareholders to authorize and approve the issuance by IPC of the IPC Shares to the BlackPearl Shareholders pursuant to the Arrangement and in accordance with the requirements of the Exchanges, as applicable, in the form set forth in Appendix A hereto;

"**IPC Share Unit Plan**" means the performance and restricted share plan of IPC dated July 10, 2018;

"**IPC Shareholders**" means the holders of IPC Shares;

"**IPC Shareholders' Meeting**" means such meeting or meetings of the IPC Shareholders, including any adjournment or postponement thereof, that is or are to be convened to consider and, if deemed advisable, approve the IPC Share Issuance Resolution;

"**IPC Shares**" means the common shares in the capital of IPC;

"**IPC Special Committee**" means the committee of directors of IPC formed to consider and evaluate the Arrangement, comprised of Donald Charter, Daniella Dimitrov and Torstein Sanness;

"**IPC Support Agreements**" means the voting and support agreements dated October 9, 2018 between BlackPearl and each of the IPC Supporting Shareholders, pursuant to which the IPC Supporting Shareholders have agreed to, among other things, vote the IPC Shares beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the IPC Share Issuance Resolution and to otherwise support the Arrangement;

"**IPC Supporting Shareholders**" means Nemesia S.à.r.l. and each of the directors and officers of IPC;

"**IPC Swedish Prospectus**" means the prospectus to be prepared by IPC and registered with the Swedish Financial Supervisory Authority in connection with the Arrangement;

"**IPC Transitional PSU and RSU Plan**" means the transitional performance and restricted share plan of IPC dated April 16, 2017;

"**IPC Transitional PSUs**" means the performance share units awarded pursuant to the IPC Transitional PSU and RSU Plan;

"**IPC Transitional RSUs**" means the restricted share units awarded pursuant to the IPC Transitional PSU and RSU Plan;

"**Joint Election Forms**" has the meaning set forth in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Exchange of Shares – Tax Election*";

"**Laws**" means all laws, by-laws, statutes, rules, regulations, principles of law, decisions, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority and the term "**applicable**" with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Persons

or its business, activities, property, assets, undertaking or securities and emanate from a Person having jurisdiction over the Person or Persons or its or business, activities, property, assets, undertaking or securities; and "Laws" includes Environmental Laws and Securities Laws;

"Lenders' Approvals" means all consents, waivers and approvals as are required from: (a) the lenders under the IPC Credit Facilities; (b) the lenders under the BlackPearl Credit Facility; and (c) the holders of the BlackPearl Notes, in order to permit such credit facilities and notes to remain outstanding and in effect in accordance with their existing terms upon and following completion of the Arrangement, without resulting (whether immediately or as a result of lapse of time) in a default, premium, penalty, event of default, repayment or redemption obligation, requirement to effect a repurchase offer or other action, obligation or change in any material and adverse respect resulting from the Arrangement;

"Letter of Transmittal" means the letter of transmittal enclosed with this Circular to be used by registered BlackPearl Shareholders to surrender their certificate(s) representing BlackPearl Shares to the Depository in order to receive a DRS Advice for IPC Shares to be issued to them pursuant to the Arrangement;

"Material Adverse Change" or "Material Adverse Effect" means, with respect to a Party, any fact or state of facts, circumstance, change, effect, occurrence or event which:

- (a) either individually is or in the aggregate are, or individually or in the aggregate could reasonably be expected to be, material and adverse to the business, operations, results of operations, properties, assets, liabilities (whether absolute, accrued, contingent or otherwise), capitalization or condition (financial or otherwise) of such Party and its Subsidiaries, taken as a whole, except to the extent of any fact or state of facts, circumstance, change, effect, occurrence or event resulting from or arising in connection with:
 - (i) in respect of IPC, any matter or prospective matter that has been expressly disclosed in the IPC Disclosure Letter, and, in respect of BlackPearl, any matter or prospective matter that has been expressly disclosed in the BlackPearl Disclosure Letter, in each case, only to the extent disclosed;
 - (ii) the failure of such Party to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics before, on or after the date of the Arrangement Agreement (provided, however, that the facts or causes underlying such failure may be considered to determine whether such facts or causes, either alone or in combination, constitute a Material Adverse Change or Material Adverse Effect);
 - (iii) conditions affecting the oil and gas exploration, exploitation, development and production industry (the **"Relevant Business"**) generally in jurisdictions in which IPC or BlackPearl, as the case may be, carries on a material portion of its business, and not specifically relating to IPC or BlackPearl, as the case may be, including changes in royalties, Laws (including tax Laws) or any change in IFRS or regulatory accounting requirements applicable to the Relevant Business;
 - (iv) any change in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in general economic, business, regulatory or market conditions or in national or global financial or capital markets or commodity markets (including any decline in crude oil, bitumen or natural gas prices on a current or forward basis);
 - (v) any natural disaster;

- (vi) any changes in the trading price or trading volumes of the IPC Shares or BlackPearl Shares, as applicable (provided, however, that the facts or causes underlying such changes may be considered to determine whether such facts or causes, either alone or in combination, constitute a Material Adverse Change or Material Adverse Effect);
- (vii) any actions taken (or omitted to be taken) at the written request or with the prior written consent of the other Party hereto; or
- (viii) the announcement of the Arrangement Agreement or any action taken by a Party or any of its Subsidiaries that is required pursuant to the Arrangement Agreement (including any steps taken pursuant to Section 5.3 of the Arrangement Agreement to obtain any Regulatory Approvals, but excluding any obligation to act in the ordinary course of business);

provided, however, that: (A) with respect to paragraphs (iii), (iv) and (v), such matter does not have a materially disproportionate effect on the Party and its Subsidiaries, taken as a whole, relative to comparable entities operating in the Relevant Business, in which case, the relevant exclusion from this definition of "Material Adverse Change" or "Material Adverse Effect" referred to in paragraphs (iii), (iv) and (v) above would not apply; and (B) references in certain Sections of Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a "Material Adverse Change" or a "Material Adverse Effect" has occurred; or

- (b) either individually or in the aggregate prevents or materially delays, or individually or in the aggregate could reasonably be expected to prevent or materially delay, the completion of the Arrangement or the Party from performing its material obligations under the Arrangement Agreement in any material respect;

"**McDaniel**" means McDaniel & Associates Consultants Ltd.;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**Nasdaq**" means the Nasdaq Stockholm Exchange;

"**NI 44-101**" means National Instrument 44-101 – *Short Form Prospectus Distributions*;

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**NI 62-104**" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

"**no-action letter**" has the meaning set forth in "*Procedure for the Arrangement to Become Effective – Regulatory Approvals – Competition Act Approval*";

"**Non-Resident Holder**" has the meaning set forth in "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*";

"**Offer to Pay**" has the meaning set forth in "*Dissent Rights*";

"**Outside Date**" means February 28, 2019;

"Paradigm Capital" means Paradigm Capital Inc.;

"Pareto" means Pareto Securities AB;

"Parties" means IPC and BlackPearl, and **"Party"** means either one of them;

"Person" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity);

"Plan of Arrangement" means the plan of arrangement substantially in the form set forth in Schedule A to the Arrangement Agreement and any amendments or variations thereto made in accordance with Section 9.1 of the Arrangement Agreement or Article 6 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of IPC and BlackPearl, each acting reasonably;

"pre-merger notification" has the meaning set forth in *"Procedure for the Arrangement to Become Effective – Regulatory Approvals – Competition Act Approval"*;

"Proposed Amendments" has the meaning set forth in *"Certain Canadian Federal Income Tax Considerations"*;

"RDSP" has the meaning set forth in *"Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment"*;

"Refinancing" means, as applicable, the refinancing of the IPC Credit Facilities, BlackPearl Credit Facilities or the BlackPearl Notes, to the extent that a Lenders' Approval has not been obtained in respect thereof, such that on or after the Effective Time IPC will utilize the net proceeds of such refinancing to repay, redeem or repurchase, as applicable, the IPC Credit Facilities, BlackPearl Credit Facilities and/or the BlackPearl Notes, as applicable;

"Registered BlackPearl Shareholder" means a Person whose name appears on the register of BlackPearl Shareholders as an owner of BlackPearl Shares;

"Regulation S" means Regulation S under the U.S. Securities Act;

"Regulatory Approvals" means any consent, waiver, permit, permission, exemption, review, order, decision or approval of, or any registration and filing with or withdrawal of any objection or successful conclusion of any litigation brought by, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity or pursuant to a written agreement between the Parties and a Governmental Entity to refrain from consummating the Arrangement, in each case required or advisable under Laws in connection with the Arrangement, including the Competition Act Approval;

"Relevant Business" has the meaning set forth in the definitions of "Material Adverse Change" and "Material Adverse Effect" in this Circular;

"Representatives" means the officers, directors, employees, financial advisors, legal counsel, accountants and other agents and representatives of a Party;

"RESP" has the meaning set forth in *"Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment"*;

"Resident Holder" has the meaning set forth in *"Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada"*;

"**RRIF**" has the meaning set forth in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment*";

"**RRSP**" has the meaning set forth in "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment*";

"**Rule 144**" means Rule 144 under the U.S. Securities Act;

"**SAGD**" has the meaning set forth in "*The Arrangement – Background to the Arrangement*"

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Laws**" means, collectively, Canadian Securities Laws, Swedish Securities Laws and U.S. Securities Laws;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**SEDI**" means the System for Electronic Disclosure by Insiders of the Canadian Securities Administrators;

"**SEK**" means Swedish Krona;

"**Sproule**" means Sproule Associates Limited;

"**Subsidiary**" has the meaning set forth in the *Securities Act* (Alberta);

"**Superior Proposal**" means an unsolicited written *bona fide* Acquisition Proposal to acquire not less than all of the outstanding BlackPearl Shares, or all or substantially all of the assets of BlackPearl and its Subsidiaries, taken as a whole:

- (a) that complies with applicable Laws and did not result from or involve a breach of Section 7.1 of the Arrangement Agreement;
- (b) that is not subject to a financing condition and in respect of which any funds or other consideration necessary to complete the Acquisition Proposal have been demonstrated, to the satisfaction of the BlackPearl Board, acting in good faith (after receiving advice from its financial advisor(s) and outside legal counsel), to have been obtained or are reasonably likely to be obtained to fund completion of the Acquisition Proposal at the time and on the basis set out therein;
- (c) that is not subject to any due diligence condition or access condition (provided that it is understood that a provision in a proposed definitive agreement that is identical to Section 5.6 of the Arrangement Agreement shall not constitute a condition with respect to access);
- (d) in respect of which the BlackPearl Board has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, would or would be reasonably likely to, if consummated in accordance with its terms and without assuming away the risk of non-completion, result in a transaction more favourable, from a financial point of view, for BlackPearl Shareholders to the transaction contemplated by the Arrangement Agreement (including after considering the proposal to adjust the terms and conditions of the Arrangement as contemplated in Section 7.1(c) of the Arrangement Agreement);
- (e) that the BlackPearl Board has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, is reasonably likely to be completed on the

terms proposed without undue delay and taking into account all legal, financial, regulatory (including with respect to the Competition Act, to the extent applicable) and other aspects of such Acquisition Proposal and the Person or group of Persons making such proposal; and

- (f) after receiving the advice of outside legal counsel, that the failure by the BlackPearl Board to accept, recommend, approve or enter into a definitive agreement to implement, as applicable, such Acquisition Proposal would be inconsistent with its fiduciary duties under applicable Laws;

"Swedish Securities Laws" means the securities legislation, regulations, rules and listing requirements applicable in Sweden;

"Tax Act" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, as amended;

"Tax Election" has the meaning set forth in *"Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Exchange of Shares – Tax Election"*;

"Tax Exempt Person" means a Person who is exempt from tax under Part I of the Tax Act;

"taxable capital gain" has the meaning set forth in *"Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Losses"*;

"Termination Fee" has the meaning set forth in *"Effect of the Arrangement – The Arrangement Agreement – Termination Fee Payable by BlackPearl"*;

"Termination Fee Event" has the meaning set forth in *"Effect of the Arrangement – The Arrangement Agreement – Termination Fee Payable by BlackPearl"*;

"TFSA" has the meaning set forth in *"Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment"*;

"TSX" means the Toronto Stock Exchange;

"U.S. Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

"U.S. Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

"U.S. Securities Laws" means federal and state securities legislation of the United States or any state of the United States, and all rules, regulations and orders promulgated thereunder; and

"VWAP" has the meaning set forth in *"The Arrangement – Background to the Arrangement"*.

CONVENTIONS

Certain terms used herein are defined in the *"Glossary of Terms"*. Unless otherwise indicated, references herein to "\$" or "dollars" are to Canadian dollars. All financial information herein has been presented in Canadian dollars in accordance with IFRS.

JOINT MANAGEMENT INFORMATION CIRCULAR

Introduction

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of IPC and BlackPearl for use at the IPC Shareholders' Meeting and the BlackPearl Securityholders' Meeting, respectively, and at any adjournment(s) or postponements thereof. No Person has been authorized to give any information or make any representation in connection with the Arrangement, the issuance of IPC Shares in connection with the Arrangement or any other matters to be considered at the IPC Shareholders' Meeting or the BlackPearl Securityholders' Meeting, other than those contained in this Circular, and, if given or made, any such information or representation must not be relied upon as having been authorized.

This Circular does not constitute an offer to sell or a solicitation of an offer to purchase any securities or the solicitation of a proxy by any Person in any jurisdiction in which such an offer or solicitation is not authorized or in which the Person making such offer or solicitation is not qualified to do so or to any Person to whom it is unlawful to make such an offer or solicitation of an offer or a proxy solicitation. Neither the delivery of this Circular nor any distribution of the securities referred to in this Circular, including the IPC Shares as consideration under the Arrangement, will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date as of which such information is given in this Circular.

The information concerning IPC contained in this Circular has been provided by IPC. Although BlackPearl has no knowledge that would indicate that any of such information is untrue or incomplete, BlackPearl does not assume any responsibility for the accuracy or completeness of such information or the failure by IPC to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to IPC.

The information concerning BlackPearl contained in this Circular has been provided by BlackPearl. Although IPC has no knowledge that would indicate that any of such information is untrue or incomplete, IPC does not assume any responsibility for the accuracy or completeness of such information or the failure by BlackPearl to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to BlackPearl.

All summaries of, and references to, the Arrangement Agreement and the Arrangement or the Plan of Arrangement in this Circular are qualified in their entirety by reference to the complete text of the Arrangement Agreement and the Plan of Arrangement, copies of which are attached as Appendix C and Schedule A to Appendix C, respectively, to this Circular. You are urged to carefully read the full text of the Arrangement Agreement and the Plan of Arrangement.

Information contained in or otherwise accessed through IPC's or BlackPearl's websites, or any other website, does not constitute part of this Circular.

All capitalized terms used in this Circular (excluding the Appendices hereto, unless stated otherwise) but not otherwise defined herein have the meanings set forth herein under "*Glossary of Terms*". Information contained in this Circular is given as of November 9, 2018, unless otherwise specifically stated. Details of the Arrangement are set forth under "*The Arrangement*". For details of the matters to be considered by the IPC Shareholders and BlackPearl Securityholders, see "*Matters to be Considered at the IPC Shareholders' Meeting*" and "*Matters to be Considered at the BlackPearl Securityholders' Meeting*", respectively.

Information For United States Shareholders

The IPC Shares to be received by BlackPearl Shareholders and holders of BlackPearl Incentive Awards pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or

any state U.S. Securities Laws and will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof on the basis of the approval of the Court. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of securities issued in exchange for one or more *bona fide* outstanding securities, or partly in such exchange and partly for cash, from the registration requirements of the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the substantive and procedural fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on November 9, 2018 and, subject to the approval of the Arrangement by the BlackPearl Securityholders and satisfaction of certain other conditions, a hearing on the application for the Final Order will be held on Thursday, December 13, 2018 by the Court. All BlackPearl Securityholders are entitled to appear and be heard at this hearing. The Final Order of the Court will, if granted, after the Court considers the substantive and procedural fairness of the Arrangement to the BlackPearl Securityholders, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the IPC Shares to be received by BlackPearl Shareholders and holders of BlackPearl Incentive Awards pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. See "*Procedure for the Arrangement to Become Effective – Court Approval*".

The solicitation of proxies for the IPC Shareholders' Meeting and the BlackPearl Securityholders' Meeting by means of this Circular is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, the solicitations and transactions contemplated in this Circular are being made in the United States for securities of a Canadian issuer in accordance with applicable Canadian corporate and securities laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. BlackPearl Shareholders and holders of BlackPearl Incentive Awards in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and to proxy statements under the U.S. Exchange Act.

In particular, and without limiting the foregoing, information included in or incorporated by reference into this Circular regarding oil and gas operations and properties and estimates of oil and gas reserves or resources has been prepared in accordance with Canadian disclosure standards, which differ in certain respects from the disclosure standards applicable to information included in reports and other materials filed with the SEC by issuers subject to SEC reporting and disclosure requirements. The SEC generally permits United States reporting oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves and production, net of royalties and interest of others. The SEC generally does not permit reporting companies to disclose net present value of future net revenue from reserves based on forecast prices and costs. The SEC does not permit disclosure of oil and gas resources. Canadian securities laws permit, among other things, the presentation of certain categories of resources and the disclosure of production on a gross basis before deducting royalties. Unless noted otherwise, all disclosures of reserves in this Circular and the documents incorporated herein by reference are made on a gross basis using forecast price and cost assumptions.

Information concerning the assets and operations of IPC and BlackPearl contained or incorporated by reference herein has been prepared in accordance with Canadian standards and is not comparable in all respects to similar information for United States companies. The financial statements and other financial information of IPC and BlackPearl included or incorporated by reference, as applicable, in this Circular have been prepared in accordance with IFRS and, except as described below, are subject to Canadian auditing and auditor independence standards, which differ from United States generally accepted accounting principles and auditing and auditor independence standards in certain material respects and thus are not directly comparable to financial statements of United States companies prepared in accordance with United States generally accepted accounting principles and subject to U.S. auditing and auditor independence standards.

The IPC Shares receivable by BlackPearl Shareholders and holders of BlackPearl Incentive Awards resident in the United States pursuant to the Arrangement will be, following completion of the Arrangement, freely transferable under the U.S. Securities Act, except by persons who are "affiliates" (within the meaning of Rule 144) of IPC after the Effective Date or were "affiliates" of IPC within 90 days before the Effective Date. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such IPC Shares by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. See "*Procedure for the Arrangement to Become Effective – Securities Law Matters – United States*".

BlackPearl Shareholders and holders of BlackPearl Incentive Awards should be aware that the receipt by them of the IPC Shares pursuant to the Arrangement described herein may have tax consequences both in the United States and in Canada. BlackPearl Shareholders and holders of BlackPearl Incentive Awards who are resident in, or citizens of, the United States are urged to consult their own tax advisors to determine the particular United States tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

The enforcement by BlackPearl Shareholders and holders of BlackPearl Incentive Awards resident in the United States of civil liabilities under United States federal and state securities laws may be affected adversely by the fact that IPC and BlackPearl are incorporated and organized under the laws of British Columbia, Canada and Alberta, Canada, respectively, that some or all of their respective officers and directors are residents of countries other than the United States, that the experts named in this Circular are residents of countries other than the United States and that all or a substantial portion of the assets of each of IPC, BlackPearl and of such persons are and will be located outside the United States. As a result, it may be difficult or impossible for BlackPearl Shareholders and holders of BlackPearl Incentive Awards in the United States to effect service of process within the United States upon IPC or BlackPearl, their respective directors or officers or the experts named herein, or to realize, against them, upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States. In addition, BlackPearl Shareholders and holders of BlackPearl Incentive Awards resident in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or "blue sky" laws of any state within the United States.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this Circular and, if given or made, such information or representation must not be relied upon as having been authorized by IPC or BlackPearl.

THE ARRANGEMENT AND THE IPC SHARES ISSUABLE PURSUANT TO THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE IN THE UNITED STATES, NOR HAS THE SEC OR ANY SUCH STATE SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Advisory Regarding Oil and Gas Information

Reserve estimates in respect of IPC's oil and gas assets in France, Malaysia and the Netherlands are effective as of December 31, 2017 and were prepared by IPC and audited by ERCE, an independent qualified reserves auditor, in accordance with NI 51-101 and the COGE Handbook, and using McDaniel's January 1, 2018 price forecasts.

Reserves estimates in respect of IPC's oil and gas assets in Canada are effective as of January 5, 2018, and were prepared by McDaniel, an independent qualified reserves evaluator, in accordance with NI 51-101 and the COGE Handbook, and using McDaniel's January 1, 2018 price forecasts. The volumes attributed to IPC are reported and aggregated by IPC in this Circular as being as at December 31, 2017.

Reserves estimates in respect of BlackPearl's oil and gas assets are effective as of December 31, 2017 and were prepared by Sproule, an independent qualified reserves evaluator, in accordance with NI 51-101 and the COGE Handbook, and using Sproule's December 31, 2017 price forecasts.

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 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 IPC's contingent resources are classified as development unclarified. 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. Of IPC's 63.4 MMboe best estimate contingent resources (unrisked), 17.4 MMboe are light and medium crude oil, 7.4 MMboe are heavy crude oil and 38.6 MMboe are conventional natural gas.

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 described in this Circular 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 IPC's and BlackPearl's control. There is uncertainty that it will be commercially viable to produce any portion of the contingent resources referred to in this Circular.

This Circular references reserves life indexes, which do not have standardized meanings or standard methods of calculation and, therefore, such metrics may not be comparable to similar metrics used by other companies. Reserves life index has been calculated by dividing IPC's and BlackPearl's proved plus probable reserves as at December 31, 2017 by IPC's and BlackPearl's average combined production for 2018, based on the mid-point guidance of IPC and BlackPearl, being 45,250 boe/d. Such metrics have been included in this Circular to provide readers with additional metrics to evaluate IPC's performance following completion of the Arrangement; however, such metrics are not reliable indicators of the future performance of IPC and future performance may not compare to the performance in previous periods.

Additional oil and gas metrics may be contained in the IPC AIF, the BlackPearl AIF and in IPC's and BlackPearl's other public filings. For information relating to oil and gas metrics contained in documents incorporated by reference into this Circular, see the IPC AIF and the BlackPearl AIF.

Oil and Gas Measurements and Equivalencies

bbbl	Barrels of crude oil
bbbl/d	Barrels of crude oil per day
boe	Barrels of oil equivalent
boe/d	Barrels of oil equivalent per day
Mbbbl	Thousand barrels of crude oil
Mbbbl/d	Thousand barrels of crude oil per day
Mboe	Thousand barrels of oil equivalent
Mboe/d	Thousand barrels of oil equivalent per day
MMbbbl	Million barrels of crude oil
MMboe	Million barrels of oil equivalent
Mcf	Thousand cubic feet
Mcf/d	Thousand cubic feet per day
Bcf	Billion cubic feet

All volume references to boe are calculated on the basis of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) unless otherwise indicated. This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. "Boe" and "mcf" may be misleading, particularly if used in isolation. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Currency

Except as otherwise indicated, all dollar amounts referenced in this Circular are expressed in Canadian dollars. The following table sets forth: (a) the rates of exchange for Canadian dollars, expressed in United States dollars, in effect at the end of each of the periods indicated; (b) the average of exchange rates in effect during such period; and (c) the high and low exchange rates during each such period, in each case based on the rate, published on the Bank of Canada's website on each trading day.

	Year Ended December 31			Nine Months Ended September 30	
	2017	2016	2015	2018	2017
Rate at end of Period	\$1.2530	\$1.3411	\$1.3455	\$1.2945	\$1.2480
Average rate during Period	\$1.2982	\$1.3274	\$1.2790	\$1.2876	\$1.3074
High during Period	\$1.3732	\$1.4637	\$1.3980	\$1.3310	\$1.3743
Low during Period	\$1.2138	\$1.2526	\$1.1583	\$1.2288	\$1.2128

On November 9, 2018, the Bank of Canada exchange rate for \$1.00 United States dollar was \$1.3206 Canadian dollars.

FORWARD-LOOKING STATEMENTS

This Circular and the documents incorporated by reference herein contain certain forward-looking information and forward-looking statements (collectively, "forward-looking statements") within the meaning of applicable Securities Laws. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "plan", "predict", "project", "should", "target", "will", or similar words suggesting future outcomes or language suggesting an outlook. In particular, this Circular and the documents incorporated by reference herein contain forward-looking statements pertaining to the following:

- the anticipated benefits of the Arrangement;
- the structure and effect of the Arrangement;
- the anticipated timing of the IPC Shareholder Meeting and the BlackPearl Securityholders' Meeting;
- the anticipated timing and contents of the Final Order;
- the completion of the Arrangement and the anticipated Effective Date;
- the anticipated number of IPC Shares to be issued pursuant to the Arrangement;
- the anticipated tax treatment of the Arrangement for BlackPearl Shareholders;
- the satisfaction of conditions for listing the IPC Shares issuable pursuant to the Arrangement on the Exchanges and the timing thereof;
- the delisting of the BlackPearl Shares from the TSX following completion of the Arrangement;
- the application to have BlackPearl cease to be a reporting issuer in the jurisdictions in which it is currently a reporting issuer following completion of the Arrangement;

- the impact of governmental regulation on IPC and BlackPearl;
- changes in commodity prices and the impact of such changes on the operations of IPC and BlackPearl;
- the level of capital expenditures;
- currency, exchange and interest rates;
- the performance characteristics of IPC's and BlackPearl's respective businesses;
- the nature of contractual arrangements with third parties in respect of IPC's and BlackPearl's respective businesses;
- expectations regarding IPC's and BlackPearl's ability to raise capital and carry out acquisition, expansion and growth plans;
- future general and administrative expenses of IPC and BlackPearl;
- competitive conditions; and
- the exercise of Dissent Rights by BlackPearl Shareholders with respect to the Arrangement.

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur. There can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based will in fact be realized. Actual results will differ, and the difference may be material and adverse to IPC, BlackPearl, the IPC Shareholders, the BlackPearl Securityholders and the holders of BlackPearl RSUs. Forward-looking statements are provided for the purpose of providing information about IPC's and BlackPearl's management's current expectations and plans relating to the future. Reliance on such information may not be appropriate for other purposes, such as making investment decisions.

Forward-looking statements are based on IPC's and BlackPearl's current beliefs, as well as assumptions made by, and information currently available to, IPC and BlackPearl, as applicable, concerning, among other things, matters relating to the Arrangement, the timely receipt of required Court, regulatory and other approvals and the satisfaction of other closing conditions in accordance with the terms of the Arrangement Agreement, IPC's anticipated performance following completion of the Arrangement, the success of IPC's and BlackPearl's combined operations following completion of the Arrangement, prevailing commodity prices and exchange rates, future operating costs of IPC's and BlackPearl's assets, prevailing regulatory, tax and environmental laws and regulations, stock market volatility and market valuations and that there will be no significant events occurring outside of the normal course of business of IPC or BlackPearl, as applicable. Although the management of IPC and BlackPearl consider these assumptions to be reasonable based on information currently available, they may prove to be incorrect. See "*Cautionary Statement Regarding Forward-Looking Information*" in the IPC AIF and in the IPC Annual MD&A and "*Forward-Looking Statements*" in the BlackPearl AIF and in the BlackPearl Annual MD&A.

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific), some of which are beyond the control of IPC and BlackPearl, and future events or circumstances contemplated by the forward-looking statements may not be achieved. These factors include, but are not limited to, failure to complete the Arrangement in all material respects in accordance with the Arrangement Agreement, or at all; regulatory environment and decisions; financial risks; capital

requirements; the availability of bank financing on reasonable commercial terms, or at all; prices; markets and marketing; uninsurable risks; management of growth; the impact of environmental events; unanticipated operating events; competition for, among other things, capital reserves and skilled personnel; reliance on key alliances and agreements; third party performance of obligations under contractual arrangements; conflicts of interest; variations in exchange rates; and hedging and uncertainty in global financial markets. See "*Cautionary Statement Regarding Forward-Looking Information*" in the IPC AIF and in the IPC Annual MD&A and "*Forward-Looking Statements*" in the BlackPearl AIF and in the BlackPearl Annual MD&A.

IPC Shareholders and BlackPearl Securityholders are cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of such information, although considered reasonably accurate at the time of preparation, may prove to be incorrect. Accordingly, IPC Shareholders and BlackPearl Securityholders are cautioned that the actual results achieved will vary from the information provided herein and the variations may be material. IPC Shareholders and BlackPearl Securityholders are also cautioned that the foregoing list of factors is not exhaustive. Consequently, there is no representation by IPC or BlackPearl that actual results achieved will be the same in whole or in part as those implied by the forward-looking statements. Furthermore, the forward-looking statements contained in this Circular and the documents incorporated by reference herein are made as of the date of such documents, and neither IPC nor BlackPearl undertakes any obligation, except as required by applicable Securities Laws, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this Circular and the documents incorporated by reference herein are expressly qualified by this cautionary statement.

INFORMATION FOR BENEFICIAL HOLDERS

The information set forth in this section is of significant importance to many IPC Shareholders and BlackPearl Shareholders, as a substantial number of such IPC Shareholders and BlackPearl Shareholders do not hold IPC Shares or BlackPearl Shares, respectively, in their own name but instead hold such IPC Shares or BlackPearl Shares through Intermediaries. IPC Shareholders and BlackPearl Shareholders who do not hold their IPC Shares or BlackPearl Shares, respectively, in their own name ("**Beneficial Holders**") should note that only proxies deposited by IPC Shareholders and BlackPearl Shareholders whose names appear on the records of the applicable registrar and transfer agent for IPC or BlackPearl, as applicable, as the registered holders of IPC Shares or BlackPearl Shares, as applicable, can be recognized and acted upon at the IPC Shareholders' Meeting or BlackPearl Securityholders' Meeting, as applicable. If IPC Shares or BlackPearl Shares are listed in an account statement provided to an IPC Shareholder or a BlackPearl Shareholder by an Intermediary, then, in almost all cases, those IPC Shares or BlackPearl Shares, as applicable, will not be registered in a holder's name on the records of IPC or BlackPearl. Such IPC Shares or BlackPearl Shares will more likely be registered in the name of the holder's broker or an agent of the broker. In Canada, the vast majority of such IPC Shares and BlackPearl Shares are registered under the name of CDS & Co. (the registration name for CDS, which acts as nominee for many Canadian brokerage firms). IPC Shares and BlackPearl Shares held by Intermediaries can only be voted (for or against resolutions) upon instructions of the Beneficial Holder. Without specific instructions, Intermediaries are prohibited from voting IPC Shares or BlackPearl Shares for their clients. **Beneficial Holders should therefore ensure that instructions regarding the voting of their IPC Shares or BlackPearl Shares are properly communicated to the appropriate Person or that the IPC Shares or BlackPearl Shares are duly registered in their name well in advance of the IPC Shareholders' Meeting or the BlackPearl Securityholders' Meeting, respectively.**

Applicable regulatory policies require Intermediaries to seek voting instructions from Beneficial Holders in advance of shareholder meetings. Every Intermediary has its own mailing procedures and provides its own return instructions which should be carefully followed by Beneficial Holders in order to ensure that their IPC Shares or BlackPearl Shares are voted at the IPC Shareholders' Meeting or the BlackPearl Securityholders' Meeting, respectively. Often, the form of proxy supplied to a Beneficial Holder by its Intermediary is identical to that provided to a registered shareholder. However, its purpose is limited to instructing the registered shareholder on how to vote on behalf of the Beneficial Holder. The majority of

Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically mails a scannable Voting Instruction Form in lieu of the form of proxy. The Beneficial Holder is requested to complete and return the Voting Instruction Form by mail or facsimile. Alternatively, the Beneficial Holder can call a toll-free telephone number or access the internet to vote the IPC Shares or BlackPearl Shares held by the Beneficial Holder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of IPC Shares and BlackPearl Shares to be represented at the IPC Shareholders' Meeting and the BlackPearl Securityholders' Meeting, as applicable. **A Beneficial Holder receiving a form of proxy or Voting Instruction Form from their Intermediary cannot use that form to vote IPC Shares or BlackPearl Shares directly at the IPC Shareholders' Meeting or the BlackPearl Securityholders' Meeting, respectively. Voting instructions must be communicated to the Intermediary (in accordance with the instructions provided by it or on its behalf) well in advance of the IPC Shareholders' Meeting or the BlackPearl Securityholders' Meeting, as applicable, in order to have the IPC Shares or BlackPearl Shares to which such instructions relate voted at the IPC Shareholders' Meeting or the BlackPearl Securityholders' Meeting, respectively.**

If you are a Beneficial Holder and wish to vote in person at the IPC Shareholders' Meeting or the BlackPearl Securityholders' Meeting, please contact your Intermediary well in advance of at the IPC Shareholders' Meeting or the BlackPearl Securityholders' Meeting, as applicable, to determine how you can do so.

Although a Beneficial Holder may not be recognized directly at the IPC Shareholders' Meeting or the BlackPearl Securityholders' Meeting for the purpose of voting IPC Shares or BlackPearl Shares, as applicable, registered in the name of its Intermediary, a Beneficial Holder may vote those IPC Shares or BlackPearl Shares as a proxyholder for the registered shareholder. To do this, a Beneficial Holder should enter such Beneficial Holder's own name in the blank space on the form of proxy provided to the Beneficial Holder and return the document to such Beneficial Holder's Intermediary in accordance with the instructions provided by such Intermediary well in advance of the IPC Shareholders' Meeting or the BlackPearl Securityholders' Meeting, as applicable.

Beneficial Holders of BlackPearl Shares should also instruct their Intermediary to complete the Letter of Transmittal with respect to such Beneficial Holder's BlackPearl Shares in order to receive the IPC Shares issuable pursuant to the Arrangement in exchange for such Beneficial Holder's BlackPearl Shares.

SUMMARY

This Summary is qualified in its entirety by the more detailed information appearing elsewhere in this Circular, including the Appendices hereto. Certain terms used herein are defined in the "Glossary of Terms".

The IPC Shareholders' Meeting

The IPC Shareholders' Meeting will be held at 10:00 a.m. (Calgary time) on December 7, 2018, in the President's Room located at the Calgary Petroleum Club, 319 5th Avenue S.W., Calgary, Alberta, Canada, for the purposes set forth in the accompanying applicable Notice of Special Meeting of IPC Shareholders. The business of the IPC Shareholders' Meeting will be to consider and vote upon the IPC Share Issuance Resolution. See "*The Arrangement*" and "*Matters to be Considered at the IPC Shareholders' Meeting*".

The BlackPearl Securityholders' Meeting

The BlackPearl Securityholders' Meeting will be held at 9:00 a.m. (Calgary time) on December 7, 2018, in the President's Room located at the Calgary Petroleum Club, 319 5th Avenue S.W., Calgary, Alberta, Canada, for the purposes set forth in the accompanying applicable Notice of Special Meeting of BlackPearl Securityholders. The business of the BlackPearl Securityholders' Meeting will be to consider and vote upon the BlackPearl Arrangement Resolution. See "*The Arrangement*" and "*Matters to be Considered at the BlackPearl Securityholders' Meeting*".

International Petroleum Corporation

The main business of IPC is exploring for, developing and producing oil and gas. IPC holds a portfolio of oil and gas production assets and development projects in Canada, Malaysia, France and the Netherlands with exposure to growth opportunities. Since listing the IPC Shares in April 2017 in Canada and Sweden, IPC has been focused on delivering operational excellence, demonstrating financial resilience, maximizing the value of IPC's resource base and targeting growth through acquisition.

IPC is a reporting issuer in Alberta and Ontario. The IPC Shares are listed and posted for trading on the TSX and the Nasdaq under the symbol "IPCO".

IPC's head office is located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 and its registered and records office is located at 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3.

For further information regarding IPC, see Appendix H.

BlackPearl Resources Inc.

BlackPearl is engaged in the exploration for, and the acquisition, development and production of, oil and natural gas. The BlackPearl Shares are traded on the TSX under the symbol "PXX" and the BlackPearl SDRs are traded on the Nasdaq under the symbol "PXXS". BlackPearl's registered and head office is located at 9th Floor, 215 – 9th Avenue S.W., Penn West Plaza – West Tower, Calgary, Alberta, T2P 1K3.

For further information regarding BlackPearl, see Appendix I.

Background to the Arrangement

The terms of the Arrangement are the result of arm's length negotiations between representatives of IPC and BlackPearl and their respective advisors. The Circular contains a summary of the events leading up to the negotiation of the Arrangement Agreement and the meetings, negotiations, discussions and actions

between IPC and BlackPearl that preceded the execution and public announcement of the Arrangement Agreement. See "*The Arrangement – Background to the Arrangement*".

Reasons for the Arrangement

IPC

The IPC Board, in reaching the determination to approve the Arrangement and the Arrangement Agreement and to recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution, considered, among other things a number of strategic, financial, operational and other factors, including those matters described under "*The Arrangement – Attributes of the Arrangement*", as well as the following factors and potential benefits and risks of the Arrangement:

- **Opportunity for Holdings in a Larger, More Diversified Company.** IPC Shareholders are expected to benefit from increases in the proved plus probable reserves base, the contingent resource base, the forecast production, the reserves life index and the oil weighting associated with the combined entity, which is anticipated to be a larger and more diverse company than IPC as it currently exists.
- **Fairness Opinion from Paradigm Capital.** The IPC Fairness Opinion of Paradigm Capital provides that, as of October 9, 2018, and based upon and subject to the various assumptions, explanations, qualifications and limitations set forth therein, the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders. See "*The Arrangement – IPC Fairness Opinion*".
- **Level of Transaction Certainty.** The level of transaction certainty offered by the Arrangement, including the assessment by the IPC Board and the IPC Special Committee as to the commitment and ability of BlackPearl to complete the transactions contemplated by the Arrangement Agreement and the likelihood of completing the Arrangement, considering the totality of the terms of the Arrangement Agreement and the absence of significant closing conditions.
- **IPC Executive Officer, Director and Major Shareholder Support.** All of the directors and executive officers of IPC, as well as the largest IPC Shareholder, who collectively hold approximately 34% of the outstanding IPC Shares, have entered into IPC Support Agreements.
- **BlackPearl Executive Officer, Director and Major Shareholder Support.** All of the directors and executive officers of BlackPearl, as well as certain other BlackPearl Securityholders, who collectively hold approximately 35% of the outstanding BlackPearl Shares, have entered into the BlackPearl Support Agreements.
- **IPC Shareholder Approval.** The IPC Share Issuance Resolution must be approved by a majority of the votes cast by IPC Shareholders at the IPC Shareholders' Meeting after excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual. If the IPC Share Issuance Resolution is not approved, the Arrangement cannot proceed as proposed.

The foregoing discussion of the information and factors considered by the IPC Board is not intended to be exhaustive. In addition, the IPC Board did not assign any relative or specific weights to the foregoing factors, and individual members of the IPC Board may have given differing weights to different factors. See "*The Arrangement – Reasons for the Arrangement – IPC*".

BlackPearl

The BlackPearl Board, in reaching the determination to approve the Arrangement and the Arrangement Agreement and to recommend that the BlackPearl Shareholders vote in favour of the BlackPearl Arrangement Resolution, considered, among other things a number of strategic, financial, operational and other factors, including those matters described under "*The Arrangement — Attributes of the Arrangement*", as well as the following factors and potential benefits and risks of the Arrangement:

- **Value Compared to Other Alternatives.** The value offered to BlackPearl Shareholders under the Arrangement is more favourable to BlackPearl Shareholders than the potential value that might have resulted from other strategic alternatives available to BlackPearl, including: (a) remaining a publicly traded company and continuing to pursue its business strategies; or (b) exploring the possibility of an alternative transaction, in each case taking into consideration the potential benefits, risks and uncertainties associated with such other alternatives, each within a timeframe comparable to that in which the Arrangement is expected to be completed.
- **Substantial Premium to Shareholders.** The Exchange Ratio represents an acquisition price of \$1.85 per BlackPearl Share based on the 30-day VWAP of the IPC Shares on the TSX for the period ended October 9, 2018, the last trading day prior to the execution of the Arrangement Agreement by BlackPearl and IPC. On this basis, the consideration to be paid to BlackPearl Shareholders under the Arrangement represents a 42% premium to the closing price of the BlackPearl Shares on the TSX on October 9, 2018 and a 49% premium to the 30-day VWAP on the TSX for the period ended October 9, 2018.
- **Opportunity for Holdings in a Larger, More Diversified Company.** As BlackPearl Shareholders will be entitled to receive IPC Shares, the Arrangement offers BlackPearl Shareholders the opportunity to participate in the future potential growth of IPC, a leading independent oil and gas company focused on production of high quality assets in stable jurisdictions around the world. In addition, former BlackPearl Shareholders, through their ownership of IPC Shares following completion of the Arrangement, will gain exposure to the free cash flow of IPC's diversified asset base, while retaining the upside exposure to BlackPearl's quality resource base. BlackPearl Shareholders will have the opportunity to participate not only in BlackPearl's business, but also in the more diversified business of IPC.
- **Fairness Opinion from GMP FirstEnergy.** The BlackPearl Fairness Opinion of GMP FirstEnergy provides that, as of October 9, 2018, and subject to the assumptions, limitations, qualifications and other matters contained therein, the consideration to be received by BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the BlackPearl Shareholders. See "*The Arrangement – BlackPearl Fairness Opinion*".
- **Level of Transaction Certainty.** The level of transaction certainty offered by the Arrangement, including the assessment by the BlackPearl Board and the BlackPearl Special Committee as to the commitment and ability of IPC to complete the transactions contemplated by the Arrangement Agreement and the likelihood of completing the Arrangement, considering the totality of the terms of the Arrangement Agreement and the absence of significant closing conditions.
- **Terms of the Arrangement Agreement.** The Arrangement Agreement allows the BlackPearl Board to consider, subject to certain conditions, other Acquisition Proposals, to change its recommendation to the BlackPearl Shareholders in certain circumstances and to terminate the Arrangement Agreement to enter into a Superior Proposal (subject

to payment by BlackPearl of the Termination Fee in certain circumstances). The terms and conditions of the Arrangement Agreement were extensively negotiated by BlackPearl and IPC with the assistance of their respective financial and legal advisors, including the representations, warranties and covenants of BlackPearl and IPC therein, and the conditions to the respective obligations of BlackPearl and IPC, which, in the judgment of the BlackPearl Board and BlackPearl Special Committee, are reasonable in the circumstances.

- **BlackPearl Executive Officer, Director and Major Shareholder Support.** All of the directors and executive officers of BlackPearl, as well as certain other BlackPearl Securityholders, who collectively hold approximately 35% of the outstanding BlackPearl Shares, have entered into the BlackPearl Support Agreements.
- **IPC Executive Officer, Director and Major Shareholder Support.** All of the directors and executive officers of IPC, as well as the largest IPC Shareholder, who collectively hold approximately 34% of the outstanding IPC Shares, have entered into IPC Support Agreements.
- **Dissent Rights.** The fact that registered BlackPearl Shareholders will have the right to dissent in respect of the BlackPearl Arrangement Resolution and demand payment of the fair value of their BlackPearl Shares.
- **BlackPearl Securityholder Approval.** The BlackPearl Arrangement Resolution must be approved by: (a) not less than two-thirds (66⅔%) of the votes cast by BlackPearl Securityholders, voting together as a single class, present in person or represented by proxy at the BlackPearl Securityholders' Meeting; and (b) not less than a simple majority of the votes cast by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by those persons whose votes are required to be excluded under MI 61-101. In addition, pursuant to and in accordance with the policies of the TSX, BlackPearl will be required to obtain the approval of the BlackPearl Arrangement Resolution by a majority of the votes cast by the BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting.

The foregoing discussion of the information and factors considered by the BlackPearl Board is not intended to be exhaustive. In addition, the BlackPearl Board did not assign any relative or specific weights to the foregoing factors, and individual members of the BlackPearl Board may have given differing weights to different factors. See "*The Arrangement – Reasons for the Arrangement – BlackPearl*".

Attributes of the Arrangement

Both IPC and BlackPearl expect IPC, following completion of the Arrangement, to offer the following benefits for shareholders of both IPC and BlackPearl:

- **Stable Long-Term Production.** IPC will have forecast average combined production of approximately 45,250 boe/d for 2018, based on the mid-point guidance of IPC and BlackPearl, across a diverse set of oil and gas assets in Canada (Alberta and Saskatchewan), Malaysia and Europe. Production is expected to be comprised of approximately 61% liquids (40% heavy oil and 21% light oil and condensate) and 39% natural gas. Production is expected to be weighted approximately 78% from Canada, 15% from Malaysia and 7% from Europe.
- **Strong Reserves and Resources.** IPC will have combined gross proved plus probable reserves of 291.5 MMboe (as at December 31, 2017) and best estimate contingent

resources of 852.9 MMboe (as at December 31, 2017). IPC's reserves life index will be approximately 17.6 years on a proved plus probable basis.

- **Organic Growth Opportunities.** IPC will have a deep inventory of high quality drilling prospects and identified future development projects, with the potential to generate positive returns and deliver organic production and reserves growth.
- **Strong Balance Sheet.** IPC is expected to have strong financial liquidity from the cash flows generated by its operations throughout the world, as well as continued access to unutilized amounts under the IPC Credit Facilities to accelerate investment in IPC's growth projects following completion of the Arrangement.
- **Ability To Optimize Capital Allocation.** IPC will have a diverse portfolio of assets in Canada, Malaysia and Europe, allowing it to prioritize investment opportunities from the enlarged portfolio and achieve attractive returns for shareholders.
- **Strong Management and Board.** The existing IPC Board and management will be complemented by the addition of BlackPearl representatives to the IPC Board and in local and senior management. IPC will have substantial local knowledge and operating capabilities.
- **Increased Scale and Expanded Investor Base.** IPC is expected to have improved access to a greater universe of institutional and retail investors on both the TSX and the Nasdaq. IPC's current dual listing and its significant access to a European investor base, combined with the BlackPearl's existing North American investor base, is expected to benefit all shareholders following completion of the Arrangement as a result of improved liquidity and market attention.

The Arrangement

On October 9, 2018, IPC and BlackPearl entered into the Arrangement Agreement, pursuant to which IPC agreed to acquire all of the issued and outstanding BlackPearl Shares. Under the terms of the Arrangement, BlackPearl Shareholders will be entitled to receive 0.22 of an IPC Share for each BlackPearl Share held. As of the date hereof, there are 87,921,846 IPC Shares and 337,263,507 BlackPearl Shares issued and outstanding.

Effect of the Arrangement

The following is a summary only of the Plan of Arrangement and reference should be made to the full text of the Arrangement Agreement set forth in Appendix C to this Circular and the Plan of Arrangement set forth in Schedule A to Appendix C to this Circular.

The Arrangement involves a number of steps, including each of the steps set out below, which will commence at the Effective Time and will occur and will be deemed to occur consecutively in the following sequence without any further act or formality, except as otherwise provided in the Plan of Arrangement:

- (a) each BlackPearl Option outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the BlackPearl Option Plan and/or the terms of any award agreements related to the BlackPearl Options, shall be deemed to be vested and exercisable and each BlackPearl Optionholder shall, without any further action by or on behalf of such BlackPearl Optionholder, be deemed to have exercised such BlackPearl Options and elected to surrender such BlackPearl Options for BlackPearl Shares (in the case of in-the-money BlackPearl Options) or cash (in the case of out-of-the-money BlackPearl Options) in accordance with the Plan of Arrangement;

- (b) each BlackPearl RSU outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the BlackPearl RSU Plan and/or the terms of any award agreements related to the BlackPearl RSUs, shall be deemed to be vested, without any further action by or on behalf of a holder of BlackPearl RSUs, and holders thereof shall receive one BlackPearl Share for each BlackPearl RSU;
- (c) subject to the Plan of Arrangement, each of the BlackPearl Shares held by Dissenting BlackPearl Shareholders shall be, and shall be deemed to be, transferred by the holders thereof to BlackPearl (free and clear of any Encumbrances), and cancelled and such Dissenting BlackPearl Shareholders shall cease to have any rights as BlackPearl Shareholders, other than the right to be paid the fair value for such BlackPearl Shares in accordance with the Plan of Arrangement, and the names of such holders shall be removed from the register of BlackPearl Shareholders; and
- (d) each issued and outstanding BlackPearl Share (including, for greater certainty, the BlackPearl Shares issued pursuant to paragraphs (a) and (b) above) held by BlackPearl Shareholders (other than Dissenting BlackPearl Shareholders) shall be, and shall be deemed to be, transferred by the holder thereof to IPC (free and clear of any Encumbrances), in exchange for 0.22 of a fully paid and non-assessable IPC Share.

No certificates representing fractional IPC Shares will be issued under the Arrangement. In lieu of any fractional IPC Shares, a BlackPearl Shareholder otherwise entitled to a fractional interest in an IPC Share will receive the nearest whole number of IPC Shares, with fractions equal to 0.5 or more being rounded up and fractions less than 0.5 being rounded down.

Effect of the Arrangement on the BlackPearl Incentive Awards

The completion of the Arrangement will result in a "change of control" under the terms of the BlackPearl Incentive Plans. Under the Arrangement, the vesting of all outstanding BlackPearl Options and BlackPearl RSUs will be accelerated to permit the exercise, settlement or surrender, as applicable, of the BlackPearl Options and BlackPearl RSUs immediately before or at the Effective Time in connection with the Arrangement. See "*Effect of the Arrangement – General*".

IPC Fairness Opinion

The IPC Special Committee formally retained Paradigm Capital on October 2, 2018 to provide, among other things, financial advisory services in connection with a potential transaction involving BlackPearl and requested Paradigm Capital to prepare and deliver an opinion as to whether the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders.

Paradigm Capital has provided the IPC Special Committee with the IPC Fairness Opinion, which states that, as of the date thereof, the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders. The IPC Fairness Opinion is subject to the assumptions and limitations contained therein and should be read in its entirety. See "*The Arrangement – IPC Fairness Opinion*" and Appendix F to this Circular.

Recommendation of the IPC Special Committee

The IPC Special Committee has unanimously recommended that the IPC Board (a) determine that the Arrangement and the entry by IPC into the Arrangement Agreement are in the best interests of IPC and (b) recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution. See "*The Arrangement – Recommendation of the IPC Special Committee*".

Recommendation of the IPC Board

The IPC Board has unanimously (a) determined that the Arrangement and the entry by IPC into the Arrangement Agreement were in the best interests of IPC, (b) approved the Arrangement and the entering into by IPC of the Arrangement Agreement and (c) resolved to recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution. See "*The Arrangement – Recommendation of the IPC Board*".

BlackPearl Fairness Opinion

The BlackPearl Board formally retained GMP FirstEnergy effective October 1, 2018 to provide, among other things, financial advisory services in connection with a potential transaction involving IPC and requested GMP FirstEnergy to prepare and deliver an opinion as to whether the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the BlackPearl Shareholders.

GMP FirstEnergy has provided the BlackPearl Board with the BlackPearl Fairness Opinion, which states that, as of the date thereof, the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view to the BlackPearl Shareholders. The BlackPearl Fairness Opinion is subject to the assumptions and limitations contained therein and should be read in its entirety. See "*The Arrangement – BlackPearl Fairness Opinion*" and Appendix G to this Circular.

Recommendation of the BlackPearl Special Committee

Having undertaken a thorough and thoughtful review of, and carefully considered, information concerning BlackPearl, IPC and the Arrangement, and after consulting with independent financial and legal advisors, the BlackPearl Special Committee has unanimously: (a) determined that the Arrangement is fair to the BlackPearl Shareholders; (b) determined that the Arrangement and the entry by BlackPearl into the Arrangement Agreement are in the best interests of BlackPearl and the BlackPearl Shareholders; and (c) recommended that the BlackPearl Board approve the Arrangement and the Arrangement Agreement and recommend to the BlackPearl Shareholders that they vote in favour of the Arrangement. See "*The Arrangement – Recommendation of the BlackPearl Special Committee*".

Recommendation of the BlackPearl Board

The BlackPearl Board has unanimously determined that: (a) the Arrangement is fair to the BlackPearl Shareholders; (b) it will recommend that the BlackPearl Shareholders vote in favour of the BlackPearl Arrangement Resolution; and (c) the Arrangement and the entry by BlackPearl into the Arrangement Agreement are in the best interests of BlackPearl and the BlackPearl Shareholders. See "*The Arrangement – Recommendation of the BlackPearl Board*".

Arrangement Agreement

The Arrangement will be effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains representations and warranties and covenants of and from each of IPC and BlackPearl and various conditions, both mutual and with respect to IPC and BlackPearl.

The Arrangement Agreement provides that, upon the occurrence of certain termination events, BlackPearl may be required to pay IPC the Termination Fee. See "*Effect of the Arrangement – The Arrangement Agreement – Termination Fee Payable by BlackPearl*".

This Circular contains a summary of certain provisions of the Arrangement Agreement and is qualified in its entirety by the full text of the Arrangement Agreement, a copy of which is attached as Appendix C to this Circular. See "*Effect of the Arrangement – The Arrangement Agreement*".

IPC Support Agreements

On October 9, 2018, the IPC Supporting Shareholders, which includes each of the directors and officers of IPC and the largest IPC Shareholder, who collectively hold approximately 34% of the outstanding IPC Shares, entered into the IPC Support Agreements with BlackPearl, pursuant to which the IPC Supporting Shareholders agreed to vote, or cause to be voted, the IPC Shares beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the IPC Share Issuance Resolution and any other matter necessary for the consummation of the Arrangement or any other transaction contemplated by the Arrangement Agreement. Pursuant to Section 611(b) of the TSX Company Manual, the votes cast by those IPC Supporting Shareholders who are insiders of IPC and who, together with their associates and affiliates, will receive IPC Shares under the Arrangement will be excluded for the purpose of determining approval of the IPC Share Issuance Resolution. See "*Procedure for the Arrangement to Become Effective – Securityholder Approvals – IPC Shareholder Approval*".

BlackPearl Support Agreements

On October 9, 2018, the BlackPearl Supporting Securityholders, which includes all of the directors and executive officers of BlackPearl and certain other BlackPearl Shareholders, who collectively hold approximately 35% of the outstanding BlackPearl Shares, entered into the BlackPearl Support Agreements with IPC, pursuant to which the BlackPearl Supporting Securityholders agreed to vote, or cause to be voted, the BlackPearl Shares and BlackPearl Options beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the BlackPearl Arrangement Resolution and any other matter necessary for the consummation of the Arrangement or any other transaction contemplated by the Arrangement Agreement.

Procedure for the Arrangement to Become Effective

Procedural Steps

The Arrangement is proposed to be carried out pursuant to Section 192 of the CBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- (a) the IPC Share Issuance Resolution must be approved by the IPC Shareholders at the IPC Shareholders' Meeting;
- (b) the BlackPearl Arrangement Resolution must be approved by the BlackPearl Securityholders at the BlackPearl Securityholders' Meeting in the manner set forth in the Interim Order;
- (c) the Court must grant the Final Order approving the Arrangement;
- (d) all conditions to the Arrangement, as set forth in the Arrangement Agreement, including the receipt of all required Regulatory Approvals, must be satisfied or waived by the appropriate Party; and
- (e) the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Director, must be filed with the Director.

There is no assurance that the conditions set forth in the Arrangement Agreement will be satisfied or waived on a timely basis or that the Court will grant the Final Order approving the Arrangement.

Upon the conditions set forth in the Arrangement Agreement being satisfied or waived, BlackPearl intends to file the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Director, with the Director in order to give effect to the Arrangement.

IPC Shareholder Approval

IPC Shareholders will be asked to consider and, if deemed advisable, approve the issuance of up to 81,157,106 IPC Shares in connection with the Arrangement, consisting of: (a) up to 74,197,972 IPC Shares to be issued based on the number of BlackPearl Shares issued and outstanding as of November 9, 2018; (b) up to 6,155,598 IPC Shares that may be issued upon the exercise of BlackPearl Options and settlement of the BlackPearl RSUs (including any IPC Shares issued in exchange for BlackPearl Shares issued upon the exercise of BlackPearl Options and settlement of BlackPearl RSUs from the date hereof to the Effective Time); and (c) up to an additional 803,536 IPC Shares to account for clerical and administrative matters, including the rounding of fractional IPC Share entitlements pursuant to the Plan of Arrangement. Notwithstanding the foregoing, based on the Exchange Ratio, IPC expects to issue approximately 75.6 million IPC Shares pursuant to the Arrangement, representing approximately 85.99% of the number of IPC Shares issued and outstanding (on a non-diluted basis) as of the date hereof.

The IPC Share Issuance Resolution must be approved by a majority of the votes cast by the IPC Shareholders present in person or represented by proxy at the IPC Shareholders' Meeting after excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual. It is expected that the votes in respect of an aggregate of 28,789,050 IPC Shares, representing approximately 32.74% of the outstanding IPC Shares, will be excluded pursuant to Section 611(b) of the TSX Company Manual for the purpose of determining approval of the IPC Share Issuance Resolution. If the IPC Share Issuance Resolution is not approved by IPC Shareholders, the Arrangement cannot be completed.

Pursuant to Section 611(c) of the TSX Company Manual, shareholder approval is required in circumstances where the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds 25% of the number of securities outstanding of the issuer (on a non-diluted basis). The Arrangement could result in the issuance of up to a number of IPC Shares equal to approximately 92.30% of the 87,921,846 IPC Shares issued and outstanding (on a non-diluted basis) as of November 9, 2018. Notwithstanding the foregoing, based on the Exchange Ratio, IPC expects to issue approximately 75.6 million IPC Shares pursuant to the Arrangement, representing approximately 85.99% of the number of IPC Shares issued and outstanding (on a non-diluted basis) as of the date hereof. The Arrangement is not expected to materially affect control of IPC. The TSX will generally not require further approval by the IPC Shareholders for the issuance of up to an additional 20,289,277 IPC Shares, such number being 25% of the number of IPC Shares approved by IPC Shareholders for the Arrangement. IPC does not currently expect to issue any additional IPC Shares pursuant to the foregoing.

Pursuant to Section 611(b) of the TSX Company Manual, shareholder approval is also required in circumstances where the number of securities issued or issuable to insiders as a group, together with any securities issued or made issuable to insiders as a group for acquisitions during the preceding six months, in payment of the purchase price for an acquisition exceeds 10% of the number of securities of the listed issuer (on a non-diluted basis), prior to the date of closing of the transaction. In such cases, insiders receiving securities pursuant to the transaction are not eligible to vote their securities in respect of such approval. As the number of IPC Shares issuable as consideration under the Arrangement to insiders of IPC, as a group, is expected to be equal to approximately 14.04% of the number of IPC Shares outstanding (on a non-diluted basis) as of the date hereof, the IPC Share Issuance Resolution must be approved by the IPC Shareholders, excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual. It is expected that the votes in respect of an aggregate of 28,789,050 IPC Shares, representing approximately 32.74% of the outstanding IPC Shares, will be excluded pursuant to Section 611(b) of the TSX Company Manual for the purpose of determining approval of the IPC Share Issuance Resolution.

See "*Procedure for the Arrangement to Become Effective – Securityholder Approvals – IPC Shareholder Approval*" and "*Matters to be Considered at the IPC Shareholders' Meeting*".

Unless otherwise directed, the Persons named in the form of proxy for the IPC Shareholders' Meeting intend to vote in favour of the IPC Share Issuance Resolution in the form set forth in Appendix A to this Circular. See "Matters to be Considered at the IPC Shareholders' Meeting".

BlackPearl Securityholder Approval

Pursuant to the terms of the Interim Order, the BlackPearl Arrangement Resolution must, subject to further order of the Court, be approved by:

- (a) not less than two-thirds (66⅔%) of the votes cast by BlackPearl Securityholders, voting together as a single class, present in person or represented by proxy at the BlackPearl Securityholders' Meeting; and
- (b) not less than a simple majority of the votes cast by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by those persons whose votes are required to be excluded under MI 61-101.

It is expected that the votes in respect of an aggregate of 32,414,696 BlackPearl Shares, representing approximately 9.61% of the outstanding BlackPearl Shares, will be excluded pursuant to MI 61-101 for the purpose of determining approval of the BlackPearl Arrangement Resolution.

In addition, pursuant to and in accordance with the policies of the TSX, BlackPearl will be required to obtain the approval of the BlackPearl Arrangement Resolution by a majority of the votes cast by the BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting.

If the BlackPearl Arrangement Resolution is not approved, the Arrangement cannot be completed.

See "*Procedure for the Arrangement to Become Effective – Securityholder Approvals – BlackPearl Securityholder Approval*", "*Procedure for the Arrangement to Become Effective – Securities Law Matters – Canada – Application of MI 61-101*" and "*Matters to be Considered at the BlackPearl Securityholders' Meeting*".

Unless otherwise directed, the Persons named in the form of proxy for the BlackPearl Securityholders' Meeting intend to vote in favour of the BlackPearl Arrangement Resolution in the form set forth in Appendix B to this Circular. See "Matters to be Considered at the BlackPearl Securityholders' Meeting".

Court Approval

On November 9, 2018, BlackPearl obtained the Interim Order providing for the calling and holding of the BlackPearl Securityholders' Meeting and other procedural matters. The Interim Order is attached as Appendix D to this Circular.

The Arrangement requires Court approval. Subject to the terms of the Arrangement Agreement, if the IPC Share Issuance Resolution and the BlackPearl Arrangement Resolution are approved at the IPC Shareholders' Meeting and the BlackPearl Securityholders' Meeting, respectively, BlackPearl will make an application to the Court for the Final Order at the Calgary Court Centre, 601 5 Street S.W., Calgary, Alberta, T2P 5P7 on Thursday, December 13, 2018 at 3:00 p.m. (Calgary time) or as soon thereafter as counsel for BlackPearl may be heard. The Notice of Originating Application for the Final Order accompanies this Circular. At the application, the Court will be requested to consider, among other things, the fairness of the Arrangement. See "*Procedure for the Arrangement to Become Effective – Court Approval*".

Regulatory Approvals

The Arrangement Agreement provides that receipt of all required Regulatory Approvals, including the Competition Act Approval, conditional approval of the TSX to the listing of the IPC Shares issuable pursuant to the Arrangement, that the conditions for listing the IPC Shares issuable pursuant to the Arrangement on the Nasdaq have been satisfied and the registration of the IPC Swedish Prospectus by the Swedish Financial Supervisory Authority shall have been obtained, is a condition to the Arrangement becoming effective. See "*Procedure for the Arrangement to Become Effective – Regulatory Approvals*".

IPC and BlackPearl received the Competition Act Approval on November 5, 2018.

Stock Exchange Listings

IPC is a reporting issuer in Alberta and Ontario. The IPC Shares are listed and posted for trading on the TSX and Nasdaq under the symbol "IPCO".

On October 9, 2018, the last trading day on which the IPC Shares traded prior to announcement of the Arrangement, the closing price of the IPC Shares on the TSX and the Nasdaq was \$7.65 and SEK 53.40, respectively. On November 9, 2018, the closing price of the IPC Shares on the TSX and the Nasdaq was \$5.62 and SEK 40.10, respectively.

BlackPearl is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The BlackPearl Shares are listed and posted for trading on the TSX under the symbol "PXX" and the BlackPearl SDRs are traded on the Nasdaq under the symbol "PXXS".

On October 9, 2018, the last trading day on which the BlackPearl Shares traded prior to announcement of the Arrangement, the closing price of the BlackPearl Shares on the TSX was \$1.30. On November 9, 2018, the closing price of the BlackPearl Shares on the TSX was \$1.23.

For information with respect to the trading history of the IPC Shares and BlackPearl Shares, see "*Information Concerning International Petroleum Corporation – Price Range and Trading Volumes*" and "*Information Concerning BlackPearl Resources Inc. – Price Range and Trading Volumes*", as applicable.

It is anticipated that the BlackPearl Shares will be delisted from the TSX and the BlackPearl SDRs will be delisted from the Nasdaq following completion of the Arrangement and IPC will apply to have BlackPearl cease to be a reporting issuer in the jurisdictions in which it is currently a reporting issuer. As a result of the Arrangement, IPC will become a reporting issuer in British Columbia, Saskatchewan and Manitoba.

It is a condition to the completion of the Arrangement that the TSX shall have conditionally approved the listing of the IPC Shares to be issued to BlackPearl Shareholders pursuant to the Arrangement. It is a further condition to the completion of the Arrangement that the conditions for listing the IPC Shares issuable pursuant to the Arrangement on the Nasdaq have been satisfied. As of the date of this Circular, IPC has applied to list the IPC Shares to be issued to BlackPearl Shareholders pursuant to the Arrangement on the TSX. Listing is subject to IPC fulfilling all of the listing requirements of the Exchanges.

Registration and Approval of the IPC Swedish Prospectus

The IPC Shares are listed and posted for trading on the Nasdaq. IPC has prepared and filed with the Swedish Financial Supervisory Authority the IPC Swedish Prospectus in connection with the admission to trading on the Nasdaq of up to 81,157,106 IPC Shares issuable in connection with the Arrangement. It is a condition to the completion of the Arrangement that the Swedish Financial Supervisory Authority shall have granted its approval of and registered the IPC Swedish Prospectus. See "*Procedure for the Arrangement to Become Effective – Regulatory Approvals - Registration and Approval of the IPC Swedish Prospectus*".

Securities Law Matters

Canada

The IPC Shares to be issued under the Arrangement will be issued in reliance on exemptions from prospectus requirements of applicable Canadian Securities Laws. The IPC Shares issued under the Arrangement will generally be "freely tradeable" in Canada and the resale of such IPC Shares will be exempt from prospectus requirements (other than as a result of any "control block" restrictions which may arise by virtue of the ownership thereof) under applicable Canadian Securities Laws.

The Arrangement constitutes a "business combination" in respect of BlackPearl and as a result, "minority approval" is required for the BlackPearl Arrangement Resolution. As such, the approval of the BlackPearl Arrangement Resolution will require the affirmative vote of not less than a simple majority of the votes cast by the BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by those persons whose votes are required to be excluded under MI 61-101.

To the knowledge of the directors and executive officers of BlackPearl, after reasonable inquiry, for the purposes of MI 61-101, it is expected that the votes in respect of an aggregate of 32,414,696 BlackPearl Shares, representing approximately 9.61% of the outstanding BlackPearl Shares, will be excluded in determining whether "minority approval" for the purposes of MI 61-101 is obtained. See "*Procedure for the Arrangement to Become Effective – Securities Law Matters – Canada – Application of MI 61-101*".

Sweden

The IPC Shares to be issued under the Arrangement will be issued under the IPC Swedish Prospectus. The IPC Shares issued under the Arrangement will be "freely tradeable" in Sweden. Only IPC Shares registered in the Swedish local central securities depository system with Euroclear will be subject to trading on the Nasdaq following the closing of the Arrangement. Holders of IPC Shares listed on the TSX will be entitled to register those IPC Shares in the depository system at Euroclear in order to trade their securities on the Nasdaq and *vice versa*. In order to trade IPC Shares on the Nasdaq, holders of IPC Shares are advised to contact their Intermediary. No physical share certificates representing IPC Shares will be issued to holders of IPC Shares through Euroclear.

United States

The IPC Shares to be received by BlackPearl Shareholders and holders of BlackPearl Incentive Awards under the Arrangement have not been and will not be registered under the U.S. Securities Act or any state U.S. Securities Laws and will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof and in compliance with or pursuant to an exemption from the registration or qualification requirements of U.S. state or "blue sky" securities laws. The IPC Shares received by BlackPearl Shareholders and holders of BlackPearl Incentive Awards resident in the United States under the Arrangement will be, following completion of the Arrangement, freely transferable under the U.S. Securities Act, except by persons who are "affiliates" of IPC after the Effective Date or were affiliates of IPC within 90 days before the Effective Date. Any resale of such IPC Shares by such an affiliate (or such former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. See "*Procedure for the Arrangement to Become Effective – Securities Law Matters – United States*".

Corporate Law Matters

IPC is incorporated under the *Business Corporations Act* (British Columbia) and BlackPearl is continued under the CBCA. Accordingly, there may be differences in the rights of holders of IPC Shares compared to the rights of holders of BlackPearl Shares. As BlackPearl Shareholders (other than Dissenting BlackPearl Shareholders) will receive IPC Shares under the Arrangement, BlackPearl Shareholders

(other than Dissenting BlackPearl Shareholders) should consult their own legal advisors with respect to these differences and the impact that any relevant differences may have on their individual circumstances. See "*Procedure for the Arrangement to Become Effective – Corporate Law Matters*".

Procedure for Exchange of BlackPearl Share Certificates

A copy of the Letter of Transmittal is enclosed with this Circular. To receive the IPC Shares issuable pursuant to the Arrangement, the enclosed Letter of Transmittal must be duly completed, executed and returned with the certificate(s) representing BlackPearl Shares and any other documentation as provided in the Letter of Transmittal, to the office of the Depository specified in the Letter of Transmittal. Additional copies of the Letter of Transmittal are available by contacting the Depository at 1-800-564-6253.

BlackPearl Shareholders whose BlackPearl Shares are registered in the name of an Intermediary must contact such Intermediary to deposit their BlackPearl Shares. See "*Procedure for the Arrangement to Become Effective – Procedure for Exchange of BlackPearl Share Certificates*".

Dissent Rights

Registered BlackPearl Shareholders may exercise Dissent Rights with respect to the BlackPearl Shares held by them, as described in Article 5 of the Plan of Arrangement, in connection with the Arrangement in accordance with Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. In order for a Registered BlackPearl Shareholder to exercise dissent rights, such registered BlackPearl Shareholder's Dissent Notice must be received by BlackPearl c/o Bennett Jones LLP, 4500 Bankers Hall East, 855 2nd Street S.W., Calgary, Alberta T2P 4K7, facsimile: (403) 265-7219, Attention: Justin R. Lambert, by 4:00 p.m. (Calgary time) on December 5, 2018, or by 4:00 p.m. (Calgary time) on the date that is five Business Days prior to the date that any adjournment or postponement of the BlackPearl Securityholders' Meeting is reconvened or held, as the case may be. See "*Dissent Rights*".

Summary of Certain Canadian Federal Income Tax Considerations

Generally, BlackPearl Shareholders who are residents of Canada and hold their BlackPearl Shares as capital property will not realize a capital gain (or a capital loss) upon the exchange of BlackPearl Shares for IPC Shares under the Arrangement.

BlackPearl Shareholders who are not resident in Canada and hold their BlackPearl Shares as capital property will generally not realize a capital gain (or capital loss) under the Arrangement under applicable Canadian federal income tax laws.

This Circular contains a summary of the principal Canadian federal income tax considerations applicable to BlackPearl Shareholders in respect of the Arrangement, and the foregoing is qualified in its entirety by reference to such summary. See "*Certain Canadian Federal Income Tax Considerations*".

Summary of Certain Swedish Income Tax Considerations

Generally, BlackPearl Shareholders who are residents in Sweden (i.e., who have unlimited tax liability in Sweden) should not be subject to immediate taxation upon the exchange of BlackPearl Shares for IPC Shares under the Arrangement; however, a request for tax deferral must be made to avoid such immediate taxation.

Further, Persons with unlimited tax liability in Sweden will generally be subject to Swedish taxation for any dividends received on the IPC Shares and upon realization of a capital gain (or loss) in relation to the IPC Shares.

This Circular contains a summary of the principal Swedish income tax considerations applicable to BlackPearl Shareholders in respect of the Arrangement, and the foregoing is qualified in its entirety by reference to such summary. See "*Certain Swedish Income Tax Considerations*".

Other Tax Considerations

This Circular discusses certain Canadian and Swedish income tax considerations applicable to BlackPearl Shareholders. Tax consequences to BlackPearl Shareholders who are resident in jurisdictions other than Canada or Sweden are not discussed. Such BlackPearl Shareholders should consult their tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions and with respect to the tax implications in such jurisdictions of owning IPC Shares following completion of the Arrangement. All BlackPearl Shareholders should consult their tax advisors regarding the federal, provincial, state, local and territorial tax consequences of the Arrangement and of holding IPC Shares.

Timing

Subject to all conditions to the Arrangement, as set forth in the Arrangement Agreement, being satisfied or waived by the appropriate Party, the Arrangement will become effective upon the filing with the Director of the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Director. If the IPC Shareholders' Meeting and the BlackPearl Securityholders' Meeting are held as scheduled and are not adjourned or postponed, BlackPearl expects to apply for the Final Order approving the Arrangement on December 13, 2018. If the Final Order is obtained on December 13, 2018, in form and substance satisfactory to each of IPC and BlackPearl, and all other conditions set forth in the Arrangement Agreement are satisfied or waived, IPC and BlackPearl expect the Effective Date to be on or about December 14, 2018. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could, however, be delayed for a number of reasons. See "*Timing*".

Selected Unaudited Pro Forma Financial Information for IPC

The Circular contains certain unaudited *pro forma* financial information for IPC after giving effect to the Arrangement for the year ended December 31, 2017 and as at and for the nine months ended September 30, 2018.

Such *pro forma* financial information should be read in conjunction with the unaudited *pro forma* consolidated financial statements of IPC for the year ended December 31, 2017 and the nine months ended September 30, 2018, including the notes thereto, attached as Appendix J to this Circular. Reference should also be made to: (a) the IPC Annual Financial Statements; (b) the BlackPearl Annual Financial Statements; (c) the IPC Interim Financial Statements; (d) the BlackPearl Interim Financial Statements; and (e) the IPC BAR, each of which are incorporated by reference herein. See "*Information Concerning IPC Following Completion of the Arrangement – Pro Forma Information of IPC After Giving Effect to the Arrangement*".

Risk Factors

IPC Shareholders voting in favour of the IPC Share Issuance Resolution and BlackPearl Securityholders voting in favour of the BlackPearl Arrangement Resolution will be approving the acquisition by IPC of BlackPearl and, in the case of BlackPearl Securityholders, to invest in IPC Shares. The Arrangement and investment in IPC Shares involves risks.

An investment in IPC Shares is subject to certain risks, which are generally associated with an investment in shares of a crude oil and natural gas exploration and production company. In addition to the risk factors present in each of IPC's and BlackPearl's respective businesses, as described under the heading "*Risk Factors*" in the IPC AIF and "*Risk Factors*" in the BlackPearl AIF, which are incorporated by reference herein, the following is a list of certain additional risk factors associated with the Arrangement and the

investment in IPC Shares, which IPC Shareholders and BlackPearl Securityholders should carefully consider before approving the IPC Share Issuance Resolution and the BlackPearl Arrangement Resolution, as applicable:

- IPC and BlackPearl may not realize the anticipated benefits of the Arrangement;
- risks related to the integration of IPC's and BlackPearl's existing businesses, including that IPC Shareholders and BlackPearl Shareholders may be exposed to additional business risks not previously applicable to their respective investments prior to the Arrangement;
- the completion of the Arrangement is subject to a number of conditions, certain of which are outside the control of IPC and BlackPearl;
- the Arrangement Agreement may be terminated by either Party in certain circumstances;
- the issuance of IPC Shares pursuant to the Arrangement, if completed, will have an immediate dilutive effect on the current IPC Shareholders' ownership interest in IPC;
- the unaudited *pro forma* financial information of IPC is presented for illustrative purposes only and may not be an indication of IPC's results of operations or financial condition following the completion of the Arrangement;
- risks relating to the income tax consequences of the Arrangement and the taxation of IPC following completion of the Arrangement;
- if the Arrangement is not completed or its completion is materially delayed and/or the Arrangement Agreement is terminated, the market price of the BlackPearl Shares and/or the IPC Shares may be materially adversely affected;
- while the Arrangement is pending, BlackPearl and IPC are restricted from taking certain actions; and
- if a significant number of BlackPearl Shareholders exercise Dissent Rights, the Arrangement Agreement may be terminated or IPC's financial condition and cash resources could be adversely effected.

The risk factors listed above are an abbreviated list of risk factor summarized elsewhere in this Circular, the IPC AIF, the IPC Annual MD&A, the IPC Interim MD&A, the BlackPearl AIF, the BlackPearl Annual MD&A and the BlackPearl Interim MD&A, each of which are incorporated by reference herein. See "*Risk Factors*". IPC Shareholders and BlackPearl Securityholders should carefully consider all such risk factors.

THE ARRANGEMENT

Background to the Arrangement

The terms of the Arrangement are the result of arm's length negotiations between IPC and BlackPearl and their respective legal advisors. The following is a summary of the events leading up to the negotiation of the Arrangement Agreement and the key meetings, negotiations, discussions and actions by and between IPC and BlackPearl that preceded the execution and public announcement of the Arrangement Agreement.

IPC's management and the IPC Board meet regularly to review, among other things, IPC's ongoing business objectives and strategic options to enhance IPC Shareholder value. IPC also regularly evaluates and reviews the merits of potential strategic opportunities and routinely receives presentations from investment banks and other third parties with respect to potential merger, acquisition and divestment opportunities.

The management of BlackPearl and the BlackPearl Board meet regularly to review, among other things, BlackPearl's ongoing business objectives and strategic options to enhance BlackPearl Shareholder value. BlackPearl also regularly evaluates and reviews the merits of potential strategic opportunities and routinely receives presentations from investment banks and other third parties with respect to potential merger, acquisition and divestment opportunities.

On December 1, 2017, Mr. Mike Nicholson, Chief Executive Officer of IPC, contacted Mr. John Festival, President and Chief Executive Officer of BlackPearl, to discuss a possible farm-in or other commercial arrangement between the two companies regarding one of BlackPearl's properties located at Blackrod, Alberta (the "**Blackrod Project**"). The Blackrod Project is a bitumen property located in the Athabasca oil sands region at which BlackPearl is currently operating a pilot project using the steam-assisted gravity drainage ("**SAGD**") recovery process. BlackPearl has received regulatory approval for an 80,000 barrel per day commercial SAGD development application and the Blackrod Project is expected to be developed in phases.

In mid-December 2017, the management of each of BlackPearl and IPC met in Calgary, Alberta to further discuss the possibility of a farm-in or other commercial arrangement between the two companies regarding the Blackrod Project.

After Mr. Nicholson indicated that IPC was interested in pursuing further discussions with BlackPearl regarding the Blackrod Project, IPC and BlackPearl entered into a mutual confidentiality agreement on December 31, 2017 to enable mutual due diligence on each other's business and operations.

On January 25, 2018, the management of each of IPC and BlackPearl met in Calgary, Alberta to discuss the Blackrod Project and exchanged detailed information about their respective companies.

Messrs. Festival and Nicholson met in Calgary, Alberta again on April 18, 2018 to continue discussions about a possible farm-in or other commercial arrangement between the two companies regarding the Blackrod Project. Following such meeting, IPC determined that a farm-in or other commercial arrangement for the Blackrod Project on its own did not meet IPC's investment criteria as it continued to review other potential opportunities.

In early June 2018, Mr. Nicholson contacted Mr. Festival and suggested the possibility of a business combination involving IPC and BlackPearl. Management of both companies met in Calgary, Alberta on June 22, 2018 and exchanged financial and operating data. Shortly after that meeting, Mr. Festival informed Mr. John Craig, Chairman of the BlackPearl Board, about the approach made by IPC. Discussions and technical meetings between the two companies continued throughout July and August 2018. Mr. Festival provided regular updates to Mr. Craig during this period. The discussions continued to be of a preliminary nature and no details of a potential transaction were proposed or discussed.

On August 20, 2018, Mr. Nicholson presented the possibility of a business combination involving IPC and BlackPearl to Mr. Lukas H. Lundin, the Chairman of the IPC Board, and Mr. C. Ashley Heppenstall, the Lead Director of the IPC Board, both of whom agreed that management of IPC should continue discussions with management of BlackPearl and its financial and technical reviews of BlackPearl.

In late-August 2018, management of IPC briefed Mr. Chris Bruijnzeels, the Chair of the Reserves Committee of the IPC Board, with respect to the technical oil and gas production and reserves and resources aspects of a potential business combination involving IPC and BlackPearl.

On August 26, 2018, Mr. Festival met with Mr. Nicholson in Calgary, Alberta and Mr. Nicholson made a non-binding verbal proposal to acquire all of the outstanding BlackPearl Shares in exchange for IPC Shares, subject to the completion of detailed due diligence and approval by the IPC Board. The proposal also included a valuation of BlackPearl. Mr. Festival indicated that BlackPearl would discuss the proposal internally. Following that meeting and throughout September 2018, IPC continued its review and evaluation of BlackPearl's assets and operations. In addition, BlackPearl continued its review and evaluation of IPC's assets and operations. The discussions continued to be of a preliminary nature and no details of a potential transaction were proposed or discussed.

The BlackPearl Board met on September 4, 2018 to discuss IPC's non-binding proposal. While BlackPearl regularly reviews its overall corporate strategy and, from time to time, considers various strategic options that might accelerate the achievement of its business plan or otherwise be in the best interests of BlackPearl and the BlackPearl Shareholders, at the time of IPC's approach in June 2018, BlackPearl was focused on the execution of its existing business plan and was not pursuing any strategic alternatives. In light of the receipt by BlackPearl of IPC's non-binding proposal, the BlackPearl Board determined that it was appropriate to seek financial and legal advice in order to clearly understand BlackPearl's strategic alternatives and the BlackPearl Board's legal obligations. The BlackPearl Board suggested that management retain a financial advisor to provide information regarding current market conditions in the Canadian oil and gas sector, including recent merger and acquisition ("**M&A**") activities, an assessment of BlackPearl's performance relative to its peers and an assessment of potential transaction counterparties, including IPC. The BlackPearl Board also suggested that management retain legal counsel to advise the directors and officers of their fiduciary duties and obligations. Mr. Festival proposed that BlackPearl retain GMP FirstEnergy as its financial advisor, which the BlackPearl Board approved. Mr. Festival advised the BlackPearl Board that BlackPearl had already retained outside counsel, Bennett Jones LLP ("**Bennett Jones**"), to advise BlackPearl with respect to business combinations generally, including a potential transaction with IPC. The BlackPearl Board received general advice at the meeting from Bennett Jones regarding its fiduciary duties and certain corporate governance matters relating, in particular, to a potential transaction with IPC.

On September 5, 2018, the management of BlackPearl contacted GMP FirstEnergy and advised GMP FirstEnergy of the discussions between BlackPearl and IPC. BlackPearl's management also advised GMP FirstEnergy that the BlackPearl Board was seeking advice on current market conditions in the Canadian oil and gas sector including recent M&A activities, an assessment of BlackPearl's performance relative to its peers, an assessment of potential transaction counterparties, including IPC, as well as other strategic options available to BlackPearl, including continuing with BlackPearl's existing strategy as a stand-alone entity or becoming a dividend paying company.

On September 18, 2018, the BlackPearl Board met, with representatives of GMP FirstEnergy and Bennett Jones in attendance. GMP FirstEnergy delivered a presentation with respect to the current equity and M&A market conditions, strategic alternatives available to BlackPearl, the current buyer universe for BlackPearl and potential value expectations. After taking into consideration the information provided by GMP FirstEnergy and advice provided by Bennett Jones, following a lengthy discussion, the BlackPearl Board concluded that it was not supportive of a valuation of the company in the range suggested by IPC. The BlackPearl Board directed management of BlackPearl to advise IPC that its proposal was not adequate, but to continue discussions with IPC to determine if IPC could reach a higher valuation of BlackPearl.

Over the next several days, the management of each of BlackPearl and IPC had several conversations and email exchanges regarding IPC's non-binding proposal and whether a higher valuation was possible. The discussions continued to be of a preliminary nature and no details of a potential transaction were proposed or discussed.

On September 27, 2018, Mr. Nicholson contacted Mr. Festival to present a revised non-binding proposal that valued BlackPearl at \$1.85 per BlackPearl Share in exchange for IPC Shares. Messrs. Festival and Nicholson agreed that they would present the proposal to their respective boards for consideration.

Later on September 27, 2018 Mr. Festival sent an email to Mr. Nicholson requesting clarification of certain terms of IPC's revised non-binding proposal, including the determination that the exchange ratio would be based on the 30-day volume weighted average price ("**VWAP**") of the IPC Shares.

On September 28, 2018, Mr. Nicholson sent an email to Mr. Festival to, among other things, confirm that the determination of the exchange ratio would be based on the 30-day VWAP of the IPC Shares.

On September 29, 2018, the management of BlackPearl met with the management of IPC to discuss additional commercial terms relating to IPC's non-binding proposal, including the potential determination of the management staff for the Canadian operations of IPC following completion of the Arrangement and other transitional matters, including the appointment of Mr. Festival to the IPC Board following completion of the Arrangement.

Also on September 29, 2018, the management of BlackPearl contacted GMP FirstEnergy and advised them that IPC was prepared to increase its valuation of BlackPearl to \$1.85 per share based on a 30-day VWAP of the IPC Shares and that BlackPearl wanted to formally retain GMP FirstEnergy as its financial advisor. GMP FirstEnergy and BlackPearl entered into a formal engagement letter effective October 1, 2018. Thereafter, GMP FirstEnergy received certain confidential information from IPC, including reserve reports and internal financial and operational forecasts.

On September 29 and 30, 2018, Mr. Nicholson briefed the remaining members of the IPC Board with respect to IPC's non-binding proposal to acquire all of the outstanding BlackPearl Shares in exchange for IPC Shares, which would value BlackPearl at \$1.85 per share based on a 30-day VWAP of the IPC Shares. Mr. Nicholson also discussed with Mr. Donald Charter, the Chair of the Nominating and Corporate Governance Committee of the IPC Board, the need to appoint a special committee of the IPC Board to consider the potential business combination involving IPC and BlackPearl having regard to a number of factors, including that certain affiliates of a significant IPC Shareholder were also significant BlackPearl Shareholders.

On October 1, 2018, the BlackPearl Board met, with representatives of Bennett Jones in attendance, and Mr. Festival advised the BlackPearl Board that IPC had presented a revised non-binding proposal to acquire all of the outstanding BlackPearl Shares in exchange for IPC Shares, which would attribute a value of \$1.85 per BlackPearl Share based on a 30-day VWAP of the IPC Shares. The directors of BlackPearl discussed generally certain commercial terms of the proposed business combination with IPC and the benefits of the transaction to BlackPearl and the BlackPearl Shareholders and the consensus was that the transaction, as outlined, would be beneficial to the BlackPearl Shareholders. The BlackPearl Board authorized management of BlackPearl to continue negotiations with IPC in respect of the proposed business combination, based on the terms discussed with the BlackPearl Board. Mr. Festival advised the BlackPearl Board that GMP FirstEnergy had formally been retained by BlackPearl as financial advisor and, if needed, to deliver a fairness opinion.

At the BlackPearl Board meeting held on October 1, 2018, the BlackPearl Board also discussed the need to appoint a special committee to consider the potential business combination involving IPC and BlackPearl having regard to a number of factors, including that certain directors of BlackPearl have current and past, direct or indirect, relationships with certain BlackPearl Shareholders and their affiliates and that those BlackPearl Shareholders were affiliates of a significant IPC Shareholder. After receiving advice from Bennett Jones, the directors agreed that the appointment of a special committee was

appropriate in the circumstances. Mr. Brian Edgar, Ms. Joanne Hruska and Mr. Victor Luhowy were appointed as the members of the BlackPearl Special Committee and Mr. Edgar was appointed as the Chair of the BlackPearl Special Committee. The management of BlackPearl left the meeting and then the BlackPearl Board held an *in-camera* session in the absence of management.

Also on October 1, 2018, the IPC Board agreed to constitute the IPC Special Committee, comprised of Mr. Donald Charter (as Chair of the IPC Special Committee), Mr. Torstein Sanness and Ms. Daniella Dimitrov, and authorized the IPC Special Committee to retain a financial advisor to deliver a fairness opinion in connection with the IPC's non-binding proposal to acquire all of the outstanding BlackPearl Shares in exchange for IPC Shares, which would attribute a value of \$1.85 per BlackPearl Share based on a 30-day VWAP of the IPC Shares. On October 2, 2018, the IPC Special Committee retained Paradigm Capital as financial advisor and, if needed, to deliver a fairness opinion.

On October 2, 2018, the BlackPearl Special Committee met, with representatives of GMP FirstEnergy and Bennett Jones in attendance, to receive a presentation from GMP FirstEnergy and legal advice from Bennett Jones regarding the fiduciary duties and responsibilities of directors in response to an unsolicited proposal for a business combination. The BlackPearl Special Committee also discussed a draft mandate of the BlackPearl Special Committee presented to them by Bennett Jones. Among other things, the mandate provides that the BlackPearl Special Committee was being formed to consider the proposed business combination involving BlackPearl and IPC and any alternatives thereto, including continuing to pursue BlackPearl's existing strategy. Following a detailed discussion, the BlackPearl Special Committee determined to present the mandate to the BlackPearl Board for its approval.

By written resolution dated October 3, 2018, the BlackPearl Board approved the mandate of the BlackPearl Special Committee.

On October 5, 2018, the IPC Board met with management of IPC and were provided an update on the status of the proposed business combination with BlackPearl, including the key commercial terms in connection therewith. The IPC Board authorized management of IPC to continue negotiations with BlackPearl in respect of the proposed business combination, based on the terms discussed with the IPC Board.

Also on October 5, 2018, the IPC Special Committee met, with management of IPC and representatives of Paradigm Capital in attendance, to discuss the proposed business combination involving IPC and BlackPearl and to review and consider the specific terms of the transaction negotiated by IPC and BlackPearl and the anticipated benefits to IPC and the IPC Shareholders of entering into the proposed transaction with BlackPearl. At the meeting, Paradigm Capital delivered its verbal fairness opinion, which stated that, as of the date thereof, and based on Paradigm Capital's analysis and subject to the review by Paradigm Capital of the definitive agreements to be executed in connection with the transaction with BlackPearl, the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders. The IPC Special Committee then held an *in-camera* session with Paradigm Capital, as well as an *in camera* session of the IPC Special Committee only.

Shortly after the October 5, 2018 IPC Special Committee meeting, certain members of the IPC Special Committee held an *in camera* session with IPC's legal counsel, Blake, Cassels & Graydon LLP ("**Blakes**").

On October 6, 2018, BlackPearl management met with IPC management to negotiate additional terms of the proposed business combination, including the amount of the termination fee in the event the proposed transaction did not close in certain circumstances, the exchange ratio of IPC Shares to be received for each BlackPearl Share, support agreements to be entered into by the directors and officers of BlackPearl and certain other BlackPearl Shareholders, the proposed treatment of the outstanding BlackPearl Incentive Awards and the closing condition relating to the requirement for BlackPearl and IPC to obtain all necessary lender consents and waivers.

On October 8, 2018, the IPC Special Committee met, with management of IPC and representatives of Paradigm Capital present, to discuss the proposed business combination involving IPC and BlackPearl and to review and consider the specific terms of the transaction negotiated by IPC and BlackPearl and the anticipated benefits to IPC and the IPC Shareholders of entering into the proposed transaction with BlackPearl. Following a detailed discussion of the specific terms of the Arrangement Agreement and after considering the verbal fairness opinion of Paradigm Capital and the advice received from Blakes, the IPC Special Committee unanimously determined to recommend that the IPC Board: (a) determine that the Arrangement and the entry by IPC into the Arrangement Agreement are in the best interests of IPC; and (b) recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution, subject to the final negotiation of the terms of the Arrangement Agreement, the determination of the final exchange ratio and the receipt by the IPC Special Committee of the written IPC Fairness Opinion.

Immediately following the meeting of the IPC Special Committee, the IPC Board met to discuss the proposed business combination involving IPC and BlackPearl and to review and consider the specific terms of the transaction negotiated by IPC and BlackPearl and the anticipated benefits to IPC and the IPC Shareholders of entering into the proposed transaction with BlackPearl. Following a detailed discussion of the specific terms of the Arrangement Agreement and after considering the recommendation of the IPC Special Committee, the IPC Board unanimously, subject to the final negotiation of the terms of the Arrangement Agreement, the determination of the final exchange ratio and the receipt by the IPC Special Committee of the written IPC Fairness Opinion: (a) determined that the Arrangement and the entry by IPC into the Arrangement Agreement were in the best interests of IPC; (b) approved the Arrangement and the entering into by IPC of the Arrangement Agreement; and (c) resolved to recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution

On October 8, 2018, the BlackPearl Board met, with representatives of Bennett Jones in attendance, and Mr. Festival provided an update on the proposed business combination with IPC and a summary of the key commercial terms of the proposed business combination that were being negotiated with IPC including the amount of the termination fee in the event the proposed transaction did not close in certain circumstances, the exchange ratio of IPC Shares to be received for each BlackPearl Share, support agreements to be entered into by the directors and officers of BlackPearl and certain other BlackPearl Shareholders, the proposed treatment of the outstanding BlackPearl Incentive Awards and the closing condition relating to the requirement for BlackPearl and IPC to obtain all necessary lender consents and waivers. The BlackPearl Board discussed at length the proposed transaction with IPC generally, including, in particular, the \$1.85 per share value being attributed to the BlackPearl Shares and the 30-day VWAP of the IPC Shares.

After the markets closed on October 9, 2018, the BlackPearl Special Committee met, with representatives of GMP FirstEnergy and Bennett Jones in attendance, to discuss the proposed business combination involving BlackPearl and IPC and to review and consider the specific terms of the transaction negotiated by BlackPearl and IPC and the anticipated benefits to BlackPearl and the BlackPearl Shareholders of entering into the proposed transaction with IPC. At the meeting, GMP FirstEnergy delivered its verbal fairness opinion which stated that, based on GMP FirstEnergy's analysis and subject to the review by GMP FirstEnergy of the definitive agreements to be executed in connection with the transaction with IPC, the consideration to be received under the Arrangement pursuant to the terms of the Arrangement Agreement is fair, from a financial point of view, to the BlackPearl Shareholders. Bennett Jones gave a detailed summary of the terms of the Arrangement Agreement and discussed the mutual closing condition relating to the requirement for BlackPearl and IPC to obtain all necessary consents and waivers from their respective lenders. Bennett Jones also gave a presentation regarding the fiduciary duties and responsibilities of directors in response to an unsolicited proposal for a business combination and responded to several questions. Following a detailed discussion of the specific terms of the proposed Arrangement Agreement and after considering the verbal fairness opinion of GMP FirstEnergy and the advice received from Bennett Jones, the BlackPearl Special Committee determined: (a) that the Arrangement is fair to the BlackPearl Shareholders; (b) that the Arrangement and the entry by BlackPearl into the Arrangement Agreement are in the best interests of BlackPearl and the BlackPearl Shareholders; and (c) to recommend to the BlackPearl Board that the BlackPearl Board

approve the Arrangement and the Arrangement Agreement and recommend to the BlackPearl Shareholders that they vote in favour of the Arrangement

Immediately following the meeting of the BlackPearl Special Committee, the BlackPearl Board met, with representatives of GMP FirstEnergy and Bennett Jones in attendance, to discuss the proposed business combination involving BlackPearl and IPC and to review and consider the specific terms of the transaction negotiated by BlackPearl and IPC and the anticipated benefits to BlackPearl and the BlackPearl Shareholders of entering into the proposed transaction with IPC. The BlackPearl Board discussed the proposed transaction with IPC generally, including, in particular, the \$1.85 per share value being attributed to the BlackPearl Shares. At the meeting, GMP FirstEnergy delivered its verbal fairness opinion which stated that, based on GMP FirstEnergy's analysis and subject to the review by GMP FirstEnergy of the definitive agreements to be executed in connection with the transaction with IPC, the consideration to be received under the Arrangement pursuant to the terms of the Arrangement Agreement is fair, from a financial point of view, to the BlackPearl Shareholders. Bennett Jones gave a brief summary of the terms of the Arrangement Agreement and discussed the mutual closing condition relating to the requirement for BlackPearl and IPC to obtain all necessary consents and waivers from their respective lenders. Bennett Jones also gave a brief presentation regarding the fiduciary duties and responsibilities of directors in response to an unsolicited proposal for a business combination. The BlackPearl Board considered, among several things: (a) the business, operations, assets, financial condition and prospects of BlackPearl, including current and prospective industry, commodity and other market conditions affecting BlackPearl; (b) the business, operations, assets, financial condition and prospects of IPC; (c) the trading prices of BlackPearl; (d) the other alternatives that had been evaluated by GMP FirstEnergy; and (e) the risks associated with the completion of the Arrangement.

Following a discussion of the specific terms of the proposed Arrangement Agreement and after considering the verbal fairness opinion of GMP FirstEnergy, the advice received from Bennett Jones and the recommendation of the BlackPearl Special Committee, the BlackPearl Board unanimously determined: (a) that the Arrangement is fair to the BlackPearl Shareholders; (b) that the Arrangement and the entry by BlackPearl into the Arrangement Agreement are in the best interests of BlackPearl and the BlackPearl Shareholders; and (c) to recommend to the BlackPearl Shareholders that they vote in favour of the Arrangement. The BlackPearl Board also unanimously approved the execution and delivery of the Arrangement Agreement and authorized BlackPearl to consummate the Arrangement and the other transactions contemplated by the Arrangement Agreement on the terms set forth therein.

Following the meeting of the BlackPearl Board on October 9, 2018, and the receipt of the final Arrangement Agreement and the IPC Fairness Opinion by the IPC Special Committee, and the determination of the Exchange Ratio, the Arrangement Agreement, the IPC Support Agreements and the BlackPearl Support Agreements were executed and delivered and, immediately thereafter, IPC and BlackPearl issued a joint news release announcing the Arrangement.

On November 8, 2018, the IPC Board approved the contents and mailing of this Circular to the IPC Shareholders, subject to any amendments that may be approved by the management of IPC, and ratified its previous recommendations to the IPC Shareholders with respect to the IPC Share Issuance Resolution.

On November 8, 2018, the BlackPearl Board approved the contents and mailing of this Circular to the BlackPearl Securityholders, subject to any amendments that may be approved by the management of BlackPearl, and ratified its previous recommendations to the BlackPearl Shareholders with respect to the BlackPearl Arrangement Resolution.

Reasons for the Arrangement – IPC

The Arrangement is consistent with and furthers the stated strategy of IPC to build a new international upstream company focused on creating long-term value launched at a favourable time in the industry cycle to acquire and grow a significant resource base.

The IPC Board, in reaching the determination to approve the Arrangement and the Arrangement Agreement and to recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution, considered, among other things a number of strategic, financial, operational and other factors, including those matters described under "*The Arrangement – Attributes of the Arrangement*", as well as the following factors and potential benefits and risks of the Arrangement:

- ***Opportunity for Holdings in a Larger, More Diversified Company.*** IPC Shareholders are expected to benefit from increases in the proved plus probable reserves base, the contingent resource base, the forecast production, the reserves life index and the oil weighting associated with the combined entity, which is anticipated to be a larger and more diverse company than IPC as it currently exists.
- ***Fairness Opinion from Paradigm Capital.*** The IPC Fairness Opinion of Paradigm Capital provides that, as of October 9, 2018, and based upon and subject to the various assumptions, explanations, qualifications and limitations set forth therein, the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders. See "*The Arrangement – IPC Fairness Opinion*".
- ***Level of Transaction Certainty.*** The level of transaction certainty offered by the Arrangement, including the assessment by the IPC Board and the IPC Special Committee as to the commitment and ability of BlackPearl to complete the transactions contemplated by the Arrangement Agreement and the likelihood of completing the Arrangement, considering the totality of the terms of the Arrangement Agreement and the absence of significant closing conditions.
- ***IPC Executive Officer, Director and Major Shareholder Support.*** All of the directors and executive officers of IPC, as well as the largest IPC Shareholder, who collectively hold approximately 34% of the outstanding IPC Shares, have entered into IPC Support Agreements.
- ***BlackPearl Executive Officer, Director and Major Shareholder Support.*** All of the directors and executive officers of BlackPearl, as well as certain other BlackPearl Securityholders, who collectively hold approximately 35% of the outstanding BlackPearl Shares, have entered into the BlackPearl Support Agreements.
- ***IPC Shareholder Approval.*** The IPC Share Issuance Resolution must be approved by a majority of the votes cast by IPC Shareholders at the IPC Shareholders' Meeting after excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual. If the IPC Share Issuance Resolution is not approved, the Arrangement cannot proceed as proposed.

The foregoing discussion of the information and factors considered by the IPC Board is not intended to be exhaustive. In addition, the IPC Board did not assign any relative or specific weights to the foregoing factors, and individual members of the IPC Board may have given differing weights to different factors.

Reasons for the Arrangement – BlackPearl

In the course of its evaluation of the Arrangement and reaching its decision to approve the Arrangement and the Arrangement Agreement, the BlackPearl Board consulted with BlackPearl's senior management, received advice from independent legal and financial advisors and considered the recommendation of the BlackPearl Special Committee. The BlackPearl Special Committee and the BlackPearl Board carefully considered all aspects of the Arrangement and the Arrangement Agreement and considered a number of factors in unanimously determining that the Arrangement is fair to the BlackPearl Shareholders and is in

the best interests of BlackPearl and the BlackPearl Shareholders and in recommending that BlackPearl Shareholders vote in favour of the BlackPearl Arrangement Resolution, including the following:

- **Value Compared to Other Alternatives.** The value offered to BlackPearl Shareholders under the Arrangement is more favourable to BlackPearl Shareholders than the potential value that might have resulted from other strategic alternatives available to BlackPearl, including: (a) remaining a publicly traded company and continuing to pursue its business strategies; or (b) exploring the possibility of an alternative transaction, in each case taking into consideration the potential benefits, risks and uncertainties associated with such other alternatives, each within a timeframe comparable to that in which the Arrangement is expected to be completed.
- **Substantial Premium to Shareholders.** The Exchange Ratio represents an acquisition price of \$1.85 per BlackPearl Share based on the 30-day VWAP of the IPC Shares on the TSX for the period ended October 9, 2018, the last trading day prior to the execution of the Arrangement Agreement by BlackPearl and IPC. On this basis, the consideration to be paid to BlackPearl Shareholders under the Arrangement represents a 42% premium to the closing price of the BlackPearl Shares on the TSX on October 9, 2018 and a 49% premium to the 30-day VWAP on the TSX for the period ended October 9, 2018.
- **Opportunity for Holdings in a Larger, More Diversified Company.** As BlackPearl Shareholders will be entitled to receive IPC Shares, the Arrangement offers BlackPearl Shareholders the opportunity to participate in the future potential growth of IPC, a leading independent oil and gas company focused on production of high quality assets in stable jurisdictions around the world. In addition, former BlackPearl Shareholders, through their ownership of IPC Shares following completion of the Arrangement, will gain exposure to the free cash flow of IPC's diversified asset base, while retaining the upside exposure to BlackPearl's quality resource base. BlackPearl Shareholders will have the opportunity to participate not only in BlackPearl's business, but also in the more diversified business of IPC.
- **Fairness Opinion from GMP FirstEnergy.** The BlackPearl Fairness Opinion of GMP FirstEnergy provides that, as of October 9, 2018, and subject to the assumptions, limitations, qualifications and other matters contained therein, the consideration to be received by BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the BlackPearl Shareholders. See "*The Arrangement – BlackPearl Fairness Opinion*".
- **Level of Transaction Certainty.** The level of transaction certainty offered by the Arrangement, including the assessment by the BlackPearl Board and the BlackPearl Special Committee as to the commitment and ability of IPC to complete the transactions contemplated by the Arrangement Agreement and the likelihood of completing the Arrangement, considering the totality of the terms of the Arrangement Agreement and the absence of significant closing conditions.
- **Terms of the Arrangement Agreement.** The Arrangement Agreement allows the BlackPearl Board to consider, subject to certain conditions, other Acquisition Proposals, to change its recommendation to the BlackPearl Shareholders in certain circumstances and to terminate the Arrangement Agreement to enter into a Superior Proposal (subject to payment by BlackPearl of the Termination Fee in certain circumstances). The terms and conditions of the Arrangement Agreement were extensively negotiated by BlackPearl and IPC with the assistance of their respective financial and legal advisors, including the representations, warranties and covenants of BlackPearl and IPC therein, and the conditions to the respective obligations of BlackPearl and IPC, which, in the judgment of

the BlackPearl Board and BlackPearl Special Committee, are reasonable in the circumstances.

- **BlackPearl Executive Officer, Director and Major Shareholder Support.** All of the directors and executive officers of BlackPearl, as well as certain other BlackPearl Securityholders, who collectively hold approximately 35% of the outstanding BlackPearl Shares, have entered into the BlackPearl Support Agreements.
- **IPC Executive Officer, Director and Major Shareholder Support.** All of the directors and executive officers of IPC, as well as the largest IPC Shareholder, who collectively hold approximately 34% of the outstanding IPC Shares, have entered into IPC Support Agreements.
- **Dissent Rights.** The fact that registered BlackPearl Shareholders will have the right to dissent in respect of the BlackPearl Arrangement Resolution and demand payment of the fair value of their BlackPearl Shares.
- **BlackPearl Securityholder Approval.** The BlackPearl Arrangement Resolution must be approved by: (a) not less than two-thirds (66 $\frac{2}{3}$ %) of the votes cast by BlackPearl Securityholders, voting together as a single class, present in person or represented by proxy at the BlackPearl Securityholders' Meeting; and (b) not less than a simple majority of the votes cast by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by those persons whose votes are required to be excluded under MI 61-101. In addition, pursuant to and in accordance with the policies of the TSX, BlackPearl will be required to obtain the approval of the BlackPearl Arrangement Resolution by a majority of the votes cast by the BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting.

In reaching their respective determinations, the BlackPearl Special Committee and the BlackPearl Board also considered a number of potential risks and potential negative factors relating to the Arrangement, including the following:

- **Risks of Non-Completion.** The risks to BlackPearl if the Arrangement is not completed in a timely manner or at all, including the costs incurred in pursuing the Arrangement, the potential requirement to pay the Termination Fee to, or reimburse expenses of, IPC in certain circumstances, the diversion of management resources away from the conduct of BlackPearl's business and the resulting uncertainty which might result in BlackPearl's customers, suppliers, distributors, partners or other counterparties delaying or deferring decisions concerning, or evaluating their relationships with, BlackPearl.
- **No Formal Market Check.** The fact that BlackPearl has not conducted a public solicitation process or formal "market check" prior to entering into the Arrangement Agreement, having regard to the facts that IPC's offer represented a significant premium to the price of the BlackPearl Shares on the TSX at the time of entering into the Arrangement Agreement, BlackPearl agreed to negotiate exclusively with IPC for a certain period of time and the Arrangement Agreement allows BlackPearl to consider other Acquisition Proposals and to change its recommendation to the BlackPearl Shareholders, in certain circumstances.
- **Limitations on Solicitation and Termination Fee.** The Arrangement Agreement contains limitations on BlackPearl's ability to solicit additional interest from third parties for Acquisition Proposals, including the required parameters for a Superior Proposal, and the potential requirement to pay the Termination Fee to IPC in certain circumstances.

- **Lack of Future Superior Proposals.** If the Arrangement Agreement is terminated and BlackPearl decides to seek another acquisition transaction, there can be no assurance that BlackPearl will be able to find a party willing to pay an equivalent or more attractive price than the consideration to be received by the BlackPearl Shareholders under the Arrangement.
- **Restrictions on Business.** The restrictions imposed pursuant to the Arrangement Agreement on the conduct of BlackPearl's business and operations during the period between the execution of the Arrangement Agreement and the completion of the Arrangement.
- **Failure to Obtain Regulatory and Other Approvals.** The risk that necessary regulatory and other approvals will not be obtained or that such approvals will unduly delay closing.

In reaching its respective determinations, the BlackPearl Special Committee and the BlackPearl Board also considered and evaluated, among other things:

- current industry, economic and market conditions and trends; and
- other stakeholders, including creditors, suppliers, employees, customers and the communities in which BlackPearl operates, and noted in this regard the longer-term prospects of IPC, whose financial and strategic resources are well-suited to the underlying nature of BlackPearl's business.

The foregoing discussion of the information and consideration of factors by the BlackPearl Special Committee and the BlackPearl Board is not intended to be exhaustive but summarizes the material factors considered by the BlackPearl Special Committee and the BlackPearl Board in their consideration of the Arrangement. The BlackPearl Special Committee and the BlackPearl Board collectively reached their respective unanimous decisions with respect to the Arrangement in light of the factors described above and other factors that each member of the BlackPearl Special Committee and the BlackPearl Board considered appropriate.

Attributes of the Arrangement

Both IPC and BlackPearl expect IPC, following completion of the Arrangement, to offer the following benefits for shareholders of both IPC and BlackPearl:

- **Stable Long-Term Production.** IPC will have forecast average combined production of approximately 45,250 boe/d for 2018, based on the mid-point guidance of IPC and BlackPearl, across a diverse set of oil and gas assets in Canada (Alberta and Saskatchewan), Malaysia and Europe. Production is expected to be comprised of approximately 61% liquids (40% heavy oil and 21% light oil and condensate) and 39% natural gas. Production is expected to be weighted approximately 78% from Canada, 15% from Malaysia and 7% from Europe.
- **Strong Reserves and Resources.** IPC will have combined gross proved plus probable reserves of 291.5 MMboe (as at December 31, 2017) and best estimate contingent resources of 852.9 MMboe (as at December 31, 2017). IPC's reserves life index will be approximately 17.6 years on a proved plus probable basis.
- **Organic Growth Opportunities.** IPC will have a deep inventory of high quality drilling prospects and identified future development projects, with the potential to generate positive returns and deliver organic production and reserves growth.

- **Strong Balance Sheet.** IPC is expected to have strong financial liquidity from the cash flows generated by its operations throughout the world, as well as continued access to unutilized amounts under the IPC Credit Facilities to accelerate investment in IPC's growth projects following completion of the Arrangement.
- **Ability To Optimize Capital Allocation.** IPC will have a diverse portfolio of assets in Canada, Malaysia and Europe, allowing it to prioritize investment opportunities from the enlarged portfolio and achieve attractive returns for shareholders.
- **Strong Management and Board.** The existing IPC Board and management will be complemented by the addition of BlackPearl representatives to the IPC Board and in local and senior management. IPC will have substantial local knowledge and operating capabilities.
- **Increased Scale and Expanded Investor Base.** IPC is expected to have improved access to access a greater universe of institutional and retail investors on both the TSX and the Nasdaq. IPC's current dual listing and its significant access to a European investor base, combined with the BlackPearl's existing North American investor base, is expected to benefit all shareholders following completion of the Arrangement as a result of improved liquidity and market attention.

IPC Fairness Opinion

The IPC Special Committee formally retained Paradigm Capital on October 2, 2018 to provide, among other things, financial advisory services in connection with a potential transaction involving BlackPearl and requested Paradigm Capital to prepare and deliver an opinion as to whether the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders.

Neither Paradigm Capital nor any of its affiliates or associates is an insider, associate or affiliate of IPC or BlackPearl or any of their respective associates or affiliates. Paradigm Capital is not acting as an advisor to BlackPearl or IPC or any of their respective associates or affiliates in connection with any other matter, other than acting as financial advisor to the IPC Special Committee.

In consideration for its services, IPC agreed to pay a fixed fee to Paradigm Capital (which is not contingent on the completion of the Arrangement), to reimburse Paradigm Capital for reasonable out-of-pocket expenses and to indemnify Paradigm Capital in respect of certain liabilities which may be incurred by it in connection with its arrangement.

Paradigm Capital has provided the IPC Special Committee with the IPC Fairness Opinion, which states that, as of the date thereof, the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders. **The IPC Fairness Opinion is subject to the assumptions and limitations contained therein and should be read in its entirety.** See Appendix F to this Circular.

The views of Paradigm Capital were an important consideration in the IPC Special Committee's recommendation that the IPC Board decide to proceed with the Arrangement.

Recommendation of the IPC Special Committee

At a meeting of the IPC Special Committee held on October 8, 2018, prior to entering into the Arrangement Agreement, the IPC Special Committee considered the acquisition of BlackPearl on the terms and conditions as provided in the Arrangement Agreement, as well as the verbal opinion from Paradigm Capital stating that the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders. The IPC Special

Committee unanimously determined to recommend that the IPC Board (a) determine that the Arrangement and the entry by IPC into the Arrangement Agreement are in the best interests of IPC and (b) recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution. In coming to its conclusion and recommendations, the IPC Special Committee considered, among others, the following factors:

- (a) the purpose and benefits of the Arrangement as outlined elsewhere in this Circular, including under "*The Arrangement – Background to the Arrangement*", "*The Arrangement – Reasons for the Arrangement – IPC*" and "*The Arrangement – Attributes of the Arrangement*";
- (b) information provided by management of IPC concerning the financial condition, results of operations, business plans and prospects of IPC and BlackPearl, and the resulting potential for the enhancement of the business efficiency, management effectiveness and financial results of IPC following completion of the Arrangement; and
- (c) the advice and assistance of Paradigm Capital in evaluating the Arrangement. See "*The Arrangement – IPC Fairness Opinion*" and Appendix F to this Circular.

The foregoing discussion of the information and factors considered by the IPC Special Committee is not intended to be exhaustive. In addition, in reaching the determination to recommend that the IPC Board approve the Arrangement and the Arrangement Agreement and recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution, the IPC Special Committee did not assign any relative or specific weights to the foregoing factors which were considered, and individual members of the IPC Special Committee may have given differing weights to different factors.

In reaching its determination, the IPC Special Committee realized that there were risks associated with the Arrangement, including that some or all of the potential benefits in connection therewith may not be realized or that there may be significant costs associated with realizing such benefits. The IPC Special Committee believes that the factors in favour of the Arrangement outweigh the risks and potential disadvantages, although there can be no assurance in this regard. See "*Risk Factors*".

Recommendation of the IPC Board

At a meeting of the IPC Board held on October 8, 2018, prior to entering into the Arrangement Agreement, the IPC Board considered the acquisition of BlackPearl on the terms and conditions as provided in the Arrangement Agreement, as well as the unanimous recommendation of the IPC Special Committee. The IPC Board unanimously (a) determined that the Arrangement and the entry by IPC into the Arrangement Agreement were in the best interests of IPC; (b) approved the Arrangement and the entering into by IPC of the Arrangement Agreement; and (c) resolved to recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution. In coming to its conclusion and recommendations, the IPC Board considered, among others, the following factors:

- (a) the recommendation of the IPC Special Committee;
- (b) the purpose and benefits of the Arrangement as outlined elsewhere in this Circular, including under "*The Arrangement – Background to the Arrangement*", "*The Arrangement – Reasons for the Arrangement – IPC*" and "*The Arrangement – Attributes of the Arrangement*"; and
- (c) information provided by management of IPC concerning the financial condition, results of operations, business plans and prospects of IPC and BlackPearl, and the resulting potential for the enhancement of the business efficiency, management effectiveness and financial results of IPC following completion of the Arrangement.

The foregoing discussion of the information and factors considered by the IPC Board is not intended to be exhaustive. In addition, in reaching the determination to approve the Arrangement and the Arrangement Agreement and recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution, the IPC Board did not assign any relative or specific weights to the foregoing factors which were considered, and individual members of the IPC Board may have given differing weights to different factors.

In reaching its determination, the IPC Board realized that there were risks associated with the Arrangement, including that some or all of the potential benefits in connection therewith may not be realized or that there may be significant costs associated with realizing such benefits. The IPC Board believes that the factors in favour of the Arrangement outweigh the risks and potential disadvantages, although there can be no assurance in this regard. See "*Risk Factors*".

BlackPearl Fairness Opinion

The BlackPearl Board formally retained GMP FirstEnergy effective October 1, 2018 to provide, among other things, financial advisory services in connection with a potential transaction involving IPC and requested GMP FirstEnergy to prepare and deliver an opinion as to whether the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the BlackPearl Shareholders.

Neither GMP FirstEnergy nor any of its affiliates or associates is an insider, associate or affiliate of BlackPearl or IPC or any of their respective associates or affiliates. GMP FirstEnergy is not acting as an advisor to BlackPearl or IPC or any of their respective associates or affiliates in connection with any other matter, other than acting as financial advisor to BlackPearl.

In consideration for its services, BlackPearl agreed to pay fees to GMP FirstEnergy (a portion of which is not contingent on the completion of the Arrangement), to reimburse GMP FirstEnergy for reasonable out-of-pocket expenses and to indemnify GMP FirstEnergy in respect of certain liabilities which may be incurred by it in connection with its arrangement.

GMP FirstEnergy has provided the BlackPearl Board with the BlackPearl Fairness Opinion, which states that, as of the date thereof, the consideration to be paid to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the BlackPearl Shareholders. **The BlackPearl Fairness Opinion is subject to the assumptions and limitations contained therein and should be read in its entirety.** See Appendix G to this Circular.

The views of GMP FirstEnergy were an important consideration in the BlackPearl Special Committee's recommendation that the BlackPearl Board decide to proceed with the Arrangement.

Recommendation of the BlackPearl Special Committee

In making its determinations and arriving at its recommendations, the BlackPearl Special Committee considered and relied upon a number of substantive factors, carefully considered all aspects of the Arrangement Agreement and the Arrangement, and considered a variety of uncertainties, risks and other potentially negative factors concerning the Arrangement and the Arrangement Agreement, which the BlackPearl Special Committee unanimously concluded were outweighed by the potential benefits of the Arrangement, although there can be no assurance in this regard. The BlackPearl Special Committee did not assign any relative or specific weights to the foregoing factors which were considered, and individual members of the BlackPearl Special Committee may have given differing weights to different factors. See "*The Arrangement – Reasons for the Arrangement – BlackPearl*".

Having undertaken a thorough and thoughtful review of, and carefully considered, information concerning BlackPearl, IPC and the Arrangement, and after consulting with independent financial and legal advisors, the BlackPearl Special Committee has unanimously: (a) determined that the

Arrangement is fair to the BlackPearl Shareholders; (b) determined that the Arrangement and the entry by BlackPearl into the Arrangement Agreement are in the best interests of BlackPearl and the BlackPearl Shareholders; and (c) recommended that the BlackPearl Board approve the Arrangement and the Arrangement Agreement and recommend to the BlackPearl Shareholders that they vote in favour of the Arrangement.

Recommendation of the BlackPearl Board

In making its determinations and arriving at its recommendations, the BlackPearl Board considered and relied upon a number of substantive factors, carefully considered all aspects of the Arrangement Agreement and the Arrangement, and considered a variety of uncertainties, risks and other potentially negative factors concerning the Arrangement and the Arrangement Agreement, which the BlackPearl Board unanimously concluded were outweighed by the potential benefits of the Arrangement, although there can be no assurance in this regard. The BlackPearl Board did not assign any relative or specific weights to the foregoing factors which were considered, and individual members of the BlackPearl Board may have given differing weights to different factors. See "*The Arrangement – Reasons for the Arrangement – BlackPearl*".

After careful consideration, the BlackPearl Board, having received the unanimous recommendation of the BlackPearl Special Committee and the advice of independent legal and financial advisors, has unanimously determined that: (a) the Arrangement is fair to the BlackPearl Shareholders; (b) it will recommend that the BlackPearl Shareholders vote in favour of the BlackPearl Arrangement Resolution; and (c) the Arrangement and the entry by BlackPearl into the Arrangement Agreement are in the best interests of BlackPearl and the BlackPearl Shareholders.

EFFECT OF THE ARRANGEMENT

General

BlackPearl Shares

The Arrangement will result in the issuance of 0.22 of an IPC Share in exchange for each BlackPearl Share to the former holders of BlackPearl Shares (excluding Dissenting BlackPearl Shareholders).

Assuming that there are no Dissenting BlackPearl Shareholders and that all in-the money BlackPearl Options are exercised and all BlackPearl RSUs are settled in accordance with the Plan of Arrangement, there is expected to be, immediately following the completion of the Arrangement, approximately 163.5 million IPC Shares issued and outstanding. Upon completion of the Arrangement: (a) former BlackPearl Shareholders are expected to collectively hold approximately 75.6 million IPC Shares, representing 46% of the then outstanding IPC Shares; and (b) IPC Shareholders immediately prior to the completion of the Arrangement are expected to collectively hold approximately 87.9 million IPC Shares, representing 54% of the then outstanding IPC Shares.

BlackPearl Incentive Awards

The completion of the Arrangement will result in a "change of control" under the terms of the BlackPearl Incentive Plans. Under the Arrangement, the vesting of all outstanding BlackPearl Options and BlackPearl RSUs will be accelerated to permit the exercise, settlement or surrender, as applicable, of the BlackPearl Options and BlackPearl RSUs immediately before or at the Effective Time in connection with the Arrangement.

In the case of the BlackPearl Options, each BlackPearl Option outstanding at the Effective Time that has an exercise price that is less than the BlackPearl Share Market Price shall be surrendered to BlackPearl and cancelled and be of no further force or effect and BlackPearl and IPC shall cease to have any liability or obligation in respect thereof, and the holders of such BlackPearl Options shall be entitled to receive from BlackPearl, in respect of each such surrendered BlackPearl Option, an amount equal to the

BlackPearl Option In-the-Money Amount, payable in BlackPearl Shares, with the number of BlackPearl Shares issuable in payment thereof being equal to the BlackPearl Option In-the-Money Amount of such BlackPearl Options divided by the BlackPearl Share Market Price, in full satisfaction of BlackPearl's obligations under such BlackPearl Options.

Each BlackPearl Option outstanding at the Effective Time that has an exercise price that is equal to or greater than the BlackPearl Share Market Price shall be surrendered to BlackPearl and cancelled and be of no further force or effect and BlackPearl and IPC shall cease to have any liability or obligation in respect thereof, and the holders thereof shall be entitled to receive, in respect of all of such holder's surrendered BlackPearl Options, an aggregate cash payment from BlackPearl equal to \$1.00, in full satisfaction of BlackPearl's obligations under such BlackPearl Options.

In the case of the BlackPearl RSUs, each BlackPearl RSU outstanding immediately prior to the Effective Time shall be deemed to be vested and a holder of such BlackPearl RSUs shall be entitled to receive from BlackPearl one BlackPearl Share for each BlackPearl RSU, in full satisfaction of BlackPearl's obligations under such BlackPearl RSUs.

See "*Interests of Directors and Officers in the Arrangement – BlackPearl*".

Details of the Arrangement

The following is a summary only of the Plan of Arrangement and reference should be made to the full text of the Arrangement Agreement set forth in Appendix C to this Circular and the Plan of Arrangement set forth in Schedule A to Appendix C to this Circular.

Pursuant to the Plan of Arrangement, commencing at the Effective Time, each of the events set out below will occur and will be deemed to occur consecutively in the following sequence without any further act or formality, except as otherwise provided in the Plan of Arrangement:

- (a) Each BlackPearl Option outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the BlackPearl Option Plan and/or the terms of any award agreements related to the BlackPearl Options, shall be deemed to be vested and exercisable and each BlackPearl Optionholder shall, without any further action by or on behalf of such BlackPearl Optionholder, be deemed to have exercised such BlackPearl Options and elected to surrender such BlackPearl Options to BlackPearl such that:
 - (i) each BlackPearl Option outstanding at the Effective Time that has an exercise price that is less than the BlackPearl Share Market Price shall be, and shall be deemed to be, surrendered to BlackPearl for cancellation and the holders thereof shall receive, in respect of each such surrendered BlackPearl Option, an amount equal to the BlackPearl Option In-the-Money Amount, payable in BlackPearl Shares, with the number of BlackPearl Shares issuable in payment thereof being equal to the BlackPearl Option In-the-Money Amount of such BlackPearl Options divided by the BlackPearl Share Market Price; and
 - (ii) no fractional BlackPearl Shares will be issued pursuant to paragraph (a)(i) above and where the aggregate number of BlackPearl Shares issuable to a former BlackPearl Optionholder pursuant to paragraph (a)(i) above would result in a fraction of a BlackPearl Share being issuable, such former BlackPearl Optionholder shall receive, in lieu of such fractional BlackPearl Share, the nearest whole number of BlackPearl Shares, with fractions being rounded down; and

- (iii) each BlackPearl Option outstanding at the Effective Time that has an exercise price that is equal to or greater than the BlackPearl Share Market Price, shall be, and shall be deemed to be, surrendered to BlackPearl for cancellation and the holders thereof shall receive, in respect of all such surrendered BlackPearl Options, a cash payment from BlackPearl equal to \$1.00,

and each such BlackPearl Option shall be, and shall be deemed to be, cancelled by BlackPearl, all of BlackPearl's obligations under such BlackPearl Options shall be deemed to be fully satisfied and the holders thereof shall cease to have any rights as BlackPearl Optionholders other than the right to receive the consideration contemplated under the Plan of Arrangement.

- (b) Each BlackPearl RSU outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the BlackPearl RSU Plan and/or the terms of any award agreements related to the BlackPearl RSUs, shall be deemed to be vested, without any further action by or on behalf of a holder of BlackPearl RSUs, and holders thereof shall receive one BlackPearl Share for each BlackPearl RSU, all of BlackPearl's obligations under such BlackPearl RSUs shall be deemed to be fully satisfied and the holders thereof shall cease to have any rights as holders of BlackPearl RSUs other than the right to receive the consideration contemplated under the Plan of Arrangement.
- (c) Subject to Section 5.1 of the Plan of Arrangement, each of the BlackPearl Shares held by Dissenting BlackPearl Shareholders shall be, and shall be deemed to be, transferred by the holders thereof to BlackPearl (free and clear of any Encumbrances), and cancelled and such Dissenting BlackPearl Shareholders shall cease to have any rights as BlackPearl Shareholders, other than the right to be paid the fair value for such BlackPearl Shares in accordance with Section 5.1 of the Plan of Arrangement, and the names of such holders shall be removed from the register of BlackPearl Shareholders.
- (d) Each issued and outstanding BlackPearl Share (including, for greater certainty, the BlackPearl Shares issued pursuant to paragraphs (a)(i) and (b) above) held by BlackPearl Shareholders (other than Dissenting BlackPearl Shareholders) shall be, and shall be deemed to be, transferred by the holder thereof to IPC (free and clear of any Encumbrances), in exchange for 0.22 of a fully paid and non-assessable IPC Share; and
 - (i) such BlackPearl Shareholders shall cease to be the holders of such BlackPearl Shares and to have any rights as holders of such BlackPearl Shares, other than the right to receive IPC Shares pursuant to this paragraph (d) and the names of such holders shall be removed from the register of BlackPearl Shareholders; and
 - (ii) IPC shall be deemed to be the transferee, and shall be the sole registered and beneficial owner, of such BlackPearl Shares (free and clear of any Encumbrances).

No certificates representing fractional IPC Shares will be issued under the Arrangement. In lieu of any fractional IPC Shares, a BlackPearl Shareholder otherwise entitled to a fractional interest in an IPC Share will receive the nearest whole number of IPC Shares, as applicable, with fractions equal to 0.5 or more being rounded up and fractions less than 0.5 being rounded down.

The respective obligations of IPC and BlackPearl to complete the transactions contemplated by the Arrangement are subject to a number of conditions which must be satisfied or waived in order for the Arrangement to become effective. Upon all of the conditions satisfied or waived, BlackPearl is required to file a copy of the Final Order and the Articles of Arrangement, together with such other materials as may be required by the Director, with the Director in order for the Arrangement to become effective.

The Arrangement Agreement

General

The Arrangement will be effected pursuant to the Arrangement Agreement. The Arrangement Agreement contains covenants, representations and warranties of and from each of IPC and BlackPearl and various conditions, both mutual and with respect to IPC and BlackPearl.

Unless all of such conditions are satisfied or waived by the Party for whose benefit such conditions exist, to the extent they may be capable of waiver, the Arrangement will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all.

The following is a summary of certain provisions of the Arrangement Agreement and is qualified in its entirety by the full text of the Arrangement Agreement, set forth in Appendix C to this Circular. BlackPearl Securityholders and IPC Shareholders are urged to read the Arrangement Agreement in its entirety.

Representations and Warranties and Covenants Relating to the Conduct of Business of the Parties

The Arrangement Agreement contains certain customary representations and warranties of each of IPC and BlackPearl relating to, among other things, their respective organization, capitalization, operations, compliance with Laws and regulations and other matters, including their authority to enter into the Arrangement Agreement and to consummate the Arrangement. For the complete text of the applicable provisions, see Sections 3.1 and 4.1 of the Arrangement Agreement.

In addition, pursuant to the Arrangement Agreement, each of IPC and BlackPearl has covenanted, among other things, until the earlier of the completion of the Arrangement or the termination of the Arrangement Agreement, to maintain their respective businesses and refrain from taking any action except in the ordinary course of business consistent with past practice. For the complete text of the applicable provisions, see Sections 5.1 and 5.2 of the Arrangement Agreement.

Mutual Conditions

The respective obligations of IPC and BlackPearl to consummate the transactions contemplated by the Arrangement Agreement, and in particular the Arrangement, are subject to the satisfaction on or before the Effective Date, or such other time specified, of the following conditions, any of which may be waived by the mutual consent of IPC and BlackPearl, without prejudice to their right to rely on any other of such conditions:

- (a) the Interim Order shall have been obtained on terms consistent with the Arrangement and in form and substance satisfactory to each of the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;
- (b) the BlackPearl Arrangement Resolution shall have been passed by the BlackPearl Shareholders at the BlackPearl Securityholders' Meeting in accordance with the Interim Order;
- (c) the IPC Share Issuance Resolution shall have been passed by a majority of the votes cast by the IPC Shareholders at the IPC Shareholders' Meeting;
- (d) the Final Order shall have been obtained on terms consistent with the Arrangement and in form and substance satisfactory to each of the Parties, acting reasonably, and shall not

have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;

- (e) the Competition Act Approval shall have been obtained and shall be in full force and effect;
- (f) all Regulatory Approvals (other than the Competition Act Approval) required to be obtained, or that the Parties mutually agree in writing to obtain in respect of the completion of the Arrangement, and the expiry of applicable waiting periods necessary to complete the Arrangement, shall have occurred or been obtained on terms and conditions acceptable to the Parties, each acting reasonably, and all applicable domestic and foreign statutory and regulatory waiting periods shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made, except where the failure or failures to obtain such Regulatory Approvals, or for the applicable waiting periods to have expired or terminated, would not be reasonably expected to have a Material Adverse Effect on either of IPC (before or after completion of the Arrangement) or BlackPearl;
- (g) the conditional approval to the listing of the IPC Shares issuable pursuant to the Arrangement on the TSX shall have been obtained;
- (h) the approval to the listing of the IPC Shares issuable pursuant to the Arrangement on the Nasdaq, as well as the registration of the IPC Swedish Prospectus by the Swedish Financial Supervisory Authority, shall have been obtained;
- (i) (i) all Lenders' Approvals shall have been obtained on terms satisfactory to each of the Parties, acting reasonably; (ii) arrangements shall be in place to effect the Refinancing on the Effective Time; or (iii) arrangements shall be in place to effect the Refinancing within a reasonable time following the Effective Time, provided that the applicable lenders subject to such Refinancing have provided reasonable assurances that they will not, within such period, enforce any rights or remedies available to them on account of the Lenders' Approvals not being obtained to provide a reasonable amount of time for a Refinancing to occur;
- (j) no Law (whether temporary, preliminary or permanent) shall be in effect or shall have been enacted, promulgated, amended or applied by any Governmental Entity, which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins IPC or BlackPearl from consummating the Arrangement;
- (k) no act, action, suit, proceeding, objection, opposition, order or injunction shall have been taken, entered or promulgated by or before any Governmental Entity or by any elected or appointed public official in Canada or elsewhere or by any other Person, whether or not having the force of Law, which: (i) prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins IPC or BlackPearl from consummating the Arrangement; or (ii) enjoins or prohibits, or imposes material adverse conditions or terms on, the right of IPC to own or exercise full ownership of the BlackPearl Shares upon completion of the Arrangement or the ownership or operation of the business, or any material assets, of BlackPearl; and
- (l) holders of not more than 5% of the outstanding BlackPearl Shares shall have validly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date.

Conditions to the Obligations of IPC

The obligation of IPC to consummate the transactions contemplated by the Arrangement Agreement, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) the representations and warranties made by BlackPearl in:
 - (i) paragraphs (b), (j), (l) and (s)(iii) of Schedule D to the Arrangement Agreement shall be true and correct in all respects as of the date of the Arrangement Agreement and the Effective Date as if made on and as of such date (except, it being understood that the number of BlackPearl Shares outstanding as described in paragraph (j) of Schedule D to the Arrangement Agreement may increase from the number outstanding on the date of the Arrangement Agreement solely as a result of the exercise or settlement, as applicable of BlackPearl Incentive Awards into BlackPearl Shares, but only to the extent that such BlackPearl Incentive Awards are specifically described in paragraph (j) of Schedule D to the Arrangement Agreement, and that the number of BlackPearl RSUs may change due to their vesting, expiry or termination in accordance with their terms); and
 - (ii) the remainder of the Arrangement Agreement shall be true and correct as of the date of the Arrangement Agreement and the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of such earlier date), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change in respect of BlackPearl and its Subsidiaries, taken as a whole (and for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored), and

BlackPearl shall have provided to IPC a certificate of two executive officers of BlackPearl (on behalf of BlackPearl and without personal liability) certifying the foregoing on the Effective Date;

- (b) BlackPearl shall have complied in all material respects with its covenants in the Arrangement Agreement to be complied with by it on or prior to the Effective Time, and BlackPearl shall have provided to IPC a certificate of two executive officers of BlackPearl (on behalf of BlackPearl and without personal liability) certifying compliance with such covenants on the Effective Date; and
- (c) no Material Adverse Change in respect of BlackPearl and its Subsidiaries, taken as a whole, shall have occurred after the date of the Arrangement Agreement.

The foregoing conditions are for the exclusive benefit of IPC and may be asserted by IPC regardless of the circumstances or may be waived in writing by IPC in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which IPC may have.

Conditions to the Obligations of BlackPearl

The obligation of BlackPearl to consummate the transactions contemplated by the Arrangement Agreement, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) the representations and warranties made by IPC in:
- (i) paragraphs (b), (j) and (s)(iii) of Schedule C to the Arrangement Agreement shall be true and correct in all respects as of the date of the Arrangement Agreement and the Effective Date as if made on and as of such date;
 - (ii) the remainder of the Arrangement Agreement shall be true and correct as of the date of the Arrangement Agreement and the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of such earlier date), except where the failure of such representations and warranties to be true and complete, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change in respect of IPC and its Subsidiaries, taken as a whole (and for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored), and

IPC shall have provided to BlackPearl a certificate of two executive officers of IPC (on behalf of IPC and without personal liability) certifying the foregoing on the Effective Date;

- (b) IPC shall have complied in all material respects with its covenants in the Arrangement Agreement to be complied with by it on or prior to the Effective Time, and IPC shall have provided to BlackPearl a certificate of two executive officers of IPC (on behalf of IPC and without personal liability) certifying compliance with such covenants on the Effective Date; and
- (c) no Material Adverse Change in respect of IPC and its Subsidiaries, taken as a whole, shall have occurred after the date of the Arrangement Agreement.

The foregoing conditions are for the exclusive benefit of BlackPearl and may be asserted by BlackPearl regardless of the circumstances or may be waived by BlackPearl in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which BlackPearl may have.

Covenants of BlackPearl Regarding Non-Solicitation; Right to Accept a Superior Proposal

Under the Arrangement Agreement, BlackPearl has agreed to certain non-solicitation covenants as follows:

- (a) BlackPearl shall immediately cease and cause to be terminated all existing solicitations, discussions and negotiations (including through any Representatives on its behalf), if any, with any Person (other than IPC and its Representatives) with respect to any Acquisition Proposal or any inquiry, proposal or offer that constitutes or could reasonably be expected to lead to an Acquisition Proposal, and, in connection therewith, BlackPearl shall discontinue access to any of its confidential information (including any data room), properties, facilities, books and records, and shall promptly, but in any event within four Business Days, request the return or destruction of all information respecting BlackPearl provided to any Person (other than IPC or its Representatives) who has entered into a confidentiality agreement with BlackPearl relating to an Acquisition Proposal and shall use commercially reasonable efforts to ensure that such requests are honoured in accordance with the terms of the applicable confidentiality agreements with such parties. BlackPearl shall enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar agreements or covenants that BlackPearl has entered into prior to the date of the Arrangement Agreement and that BlackPearl enters into after the date of the Arrangement Agreement in accordance with the Arrangement Agreement.

- (b) BlackPearl shall not, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:
- (i) solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) any Acquisition Proposal or any inquiries, proposals or offers relating to any Acquisition Proposal or that could reasonably be expected to lead to an Acquisition Proposal;
 - (ii) enter into, engage in, continue or otherwise participate in any discussions or negotiations regarding any Acquisition Proposal or any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or furnish to any other Person any information with respect to its businesses, properties, operations, results of operation, prospects or condition (financial or otherwise) in connection with any Acquisition Proposal or any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing;
 - (iii) waive, terminate, amend, modify or release any third party or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive, terminate, amend, modify or release any third party from or otherwise forbear in respect of, any rights or other benefits under confidential information and/or standstill agreements (which, for greater certainty, does not prohibit the automatic release of a party or termination of such provisions in accordance with the pre-existing and express terms of any standstill provision);
 - (iv) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend any Acquisition Proposal or any inquiry, proposal or offer that could reasonably be expected to lead to an Acquisition Proposal; or
 - (v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal (other than a confidentiality and standstill agreement contemplated under Section 7.1(b)(vi) of the Arrangement Agreement);

provided, however, that notwithstanding any other provision of the Arrangement Agreement, BlackPearl and its Representatives may, prior to the approval of the BlackPearl Arrangement Resolution at the BlackPearl Securityholders' Meeting:

- (vi) enter into or participate in any discussions or negotiations with a third party that is not in breach of any confidentiality or standstill agreement and who, without any solicitation, assistance, initiation, encouragement or facilitation, directly or indirectly, after the date of the Arrangement Agreement, by BlackPearl or any of its Representatives, seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality agreement that is substantially similar to the Confidentiality Agreement and is otherwise on terms that BlackPearl determines in good faith are no less favourable to BlackPearl than those found in the Confidentiality Agreement (provided that such confidentiality agreement shall (A) contain customary standstill provisions, (B) allow for disclosure thereof, along with all information provided thereunder, to IPC as set out below (C) allow disclosure to IPC of the making, terms and a copy of any Acquisition Proposal made by the third party as contemplated in the Arrangement Agreement and (D) not contain any provision restricting BlackPearl from complying with Section 7.1 of the Arrangement Agreement) may furnish to such third party any information

concerning BlackPearl and its Subsidiaries and their businesses, properties and assets, in each case if, and only to the extent that:

- (A) the third party has first made a written *bona fide* Acquisition Proposal, which did not result from a breach of Section 7.1 of the Arrangement Agreement, and in respect of which the BlackPearl Board determines in good faith, after consultation with its outside legal and financial advisors, constitutes or would reasonably be expected to lead to a Superior Proposal; and
- (B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party regarding the Acquisition Proposal, BlackPearl shall:
 - (1) provide prompt notice to IPC to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such third party, together with a copy of the confidentiality agreement referenced above and, if not previously provided to IPC, copies of all information provided to such third party concurrently with the provision of such information to such third party;
 - (2) notify IPC orally and in writing of any inquiries, offers or proposals with respect to an actual or contemplated Superior Proposal (which written notice shall include a copy of any such inquiry, offer or proposal (and any amendments or supplements thereto), the identity of the Person making it, if not previously provided to IPC, and copies of all information provided to the third party), within 24 hours of the receipt thereof; and
 - (3) keep IPC promptly informed of the status and reasonable details of any such inquiry, offer or proposal and answer IPC's reasonable questions with respect thereto;
- (vii) comply with Part 2 - Division 3 of NI 62-104 and similar provisions in respect of Swedish Securities Laws and U.S. Securities Laws relating to the provision of directors' circulars and making appropriate disclosure with respect thereto to its securityholders; and
- (viii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or entry, the BlackPearl Board concludes in good faith, after considering all proposals to adjust the terms and conditions of the Arrangement Agreement as contemplated by Section 7.1(c) thereof and after receiving the advice of outside counsel, that the failure by the BlackPearl Board to take such action would be inconsistent with its fiduciary duties under applicable Laws, and BlackPearl (A) complies with its obligations set forth in Section 7.1 of the Arrangement Agreement, (B) first terminates the Arrangement Agreement in accordance with Section 8.1(d)(ii) thereof, and (C) concurrently therewith pays the Termination Fee to IPC.
- (c) Following the determination by the BlackPearl Board that an Acquisition Proposal constitutes a Superior Proposal, BlackPearl shall give IPC, orally and in writing, at least four complete Business Days advance notice of any decision by the BlackPearl Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall confirm that the BlackPearl Board has determined that such

Acquisition Proposal constitutes a Superior Proposal and shall identify the material terms of, and the third party making, the Superior Proposal and BlackPearl shall provide IPC with a true and complete copy of the Superior Proposal and the agreement to implement such Superior Proposal and any amendments thereto. During such four Business Day period, BlackPearl agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement as outlined in Section 2.3(a) of the Arrangement Agreement. In addition, during such four Business Day period, BlackPearl shall, and shall cause its financial and legal advisors to, negotiate in good faith with IPC and its financial and legal advisors to make such adjustments in the terms and conditions of the Arrangement Agreement and the Arrangement as would enable BlackPearl to proceed with the Arrangement as amended rather than the Superior Proposal. In the event IPC proposes to amend the Arrangement Agreement and the Arrangement on a basis such that the BlackPearl Board determines that the alternative proposed transaction is no longer a Superior Proposal and so advises the IPC Board prior to the expiry of such four Business Day period, the BlackPearl Board shall not accept, recommend, approve or enter into any agreement to implement such Acquisition Proposal and shall not release the party making the Acquisition Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement and the Parties hereto will enter into an amended version of the Arrangement Agreement reflecting such amendments. In the event that BlackPearl provides the notice contemplated by Section 7.1(c) of the Arrangement Agreement on a date which is less than four Business Days prior to the BlackPearl Securityholders' Meeting, IPC shall be entitled to require BlackPearl to adjourn or postpone the BlackPearl Shareholders' Meeting to a date that is not more than ten Business Days after the date of such notice.

- (d) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the BlackPearl Shareholders or other material terms or conditions thereof, shall constitute a new Acquisition Proposal for the purposes of Section 7.1(c) of the Arrangement Agreement, and IPC shall be afforded a new four Business Day period from the date on which IPC received all of the materials set forth in Section 7.1(c) of the Arrangement Agreement with respect to the new Superior Proposal from BlackPearl.
- (e) The BlackPearl Board shall promptly reaffirm the recommendation and determinations in Section 2.3(a) of the Arrangement Agreement by press release after (i) any Acquisition Proposal which is publicly announced is determined not to be a Superior Proposal or (ii) the Parties have entered into an amended agreement pursuant to Section 7.1(c) of the Arrangement Agreement which results in any Acquisition Proposal not being a Superior Proposal. IPC shall have a reasonable opportunity to review and comment on the form and content of such release and BlackPearl shall give reasonable consideration to any comments made by IPC and its counsel relating thereto.
- (f) BlackPearl shall ensure that its Representatives are aware of the provisions of Section 7.1 of the Arrangement Agreement. BlackPearl shall be responsible for any breach of Section 7.1 of the Arrangement Agreement by BlackPearl's Representatives.

Termination Fee Payable by BlackPearl

Pursuant to the Arrangement Agreement, if at any time after the execution of the Arrangement Agreement:

- (a) the Arrangement Agreement is terminated by IPC if:

- (i) BlackPearl is in breach of any of BlackPearl's covenants or obligations in Section 7.1 of the Arrangement Agreement in any material respect; or
 - (ii) (A) the BlackPearl Board fails to unanimously recommend or withdraws, amends, modifies, changes or qualifies, or publicly proposes or states an intention to withdraw, amend, modify, change or qualify, the recommendation or determinations referred to in Section 2.3(a) of the Arrangement Agreement in a manner adverse to IPC or shall have resolved to do so prior to the Effective Date, (B) the BlackPearl Board accepts, approves, endorses or recommends; or publicly proposes to accept, approve, endorse or recommend a Superior Proposal; or (C) the BlackPearl Board fails to publicly reaffirm the recommendation and determinations referred to in Section 2.3(a) of the Arrangement Agreement within 72 hours after having been requested in writing by IPC to do so (or in the event that the BlackPearl Shareholders' Meeting is scheduled to occur within such 72 hour period, as soon as possible and in any event prior to the BlackPearl Securityholders' Meeting);
- (b) the Arrangement Agreement is terminated by BlackPearl if, prior to the approval by the BlackPearl Shareholders of the BlackPearl Arrangement Resolution, the BlackPearl Board authorizes BlackPearl to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 7.1(b)(vi) of the Arrangement Agreement) with respect to, or BlackPearl intends to accept, recommend or enter into any agreement to implement, a Superior Proposal in accordance with Section 7.1 of the Arrangement Agreement, provided BlackPearl is then in compliance with Section 7.1 of the Arrangement Agreement; or
- (c) the Arrangement Agreement is terminated by either Party pursuant to Sections 8.1(b)(i) or 8.1(b)(iii) thereof, or by IPC pursuant to Section 8.1(c)(i) thereof, and, prior to such termination, an Acquisition Proposal is made, proposed, offered or otherwise publicly disclosed by any Person (other than IPC) or any Person (other than IPC) shall have publicly announced an intention to make an Acquisition Proposal and within 12 months following the date of such termination:
- (i) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to above) is consummated or effected; or
 - (ii) BlackPearl or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into an agreement in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to above) and such Acquisition Proposal is later consummated or effected (whether or not such Acquisition Proposal is later consummated or effected within 12 months after such termination);

provided, however, that for purposes of the foregoing, references in the term "Acquisition Proposal" to "20% or more" shall be deemed to be references to "50% or more".

(each, a "**Termination Fee Event**"), BlackPearl shall pay to IPC (or as IPC may direct by notice in writing) a fee of \$20.0 million (the "**Termination Fee**") as liquidated damages in immediately available Canadian funds to an account designated by IPC.

The Termination Fee shall be paid:

- (a) within two Business Days following the Termination Fee Event described in Section 8.3(a)(i) of the Arrangement Agreement;

- (b) prior to or concurrently with the occurrence of the Termination Fee Event described in Section 8.3(a)(ii) of the Arrangement Agreement; and
- (c) upon the consummation or closing of the Acquisition Proposal referred to in the Termination Fee Event described in Section 8.3(a)(iii) of the Arrangement Agreement.

Termination

The Arrangement Agreement may be terminated at any time prior to the Effective Date:

- (a) by mutual written agreement of IPC and BlackPearl;
- (b) by either IPC or BlackPearl if:
 - (i) the BlackPearl Arrangement Resolution shall have failed to receive the requisite vote of the BlackPearl Shareholders for approval at the BlackPearl Securityholders' Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order;
 - (ii) the IPC Share Issuance Resolution shall have failed to receive the requisite vote of the IPC Shareholders for approval at the IPC Shareholders' Meeting (including any adjournment or postponement thereof);
 - (iii) the Effective Time shall not have occurred on or prior to the Outside Date, except that the right to terminate the Arrangement Agreement under Section 8.1(b)(iii) thereof shall not be available to any Party whose failure to fulfill any of its covenants or obligations or whose breach of any of its representations or warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by the Outside Date; or
 - (iv) any condition in Section 6.1 of the Arrangement Agreement, other than the conditions in Section 6.1(b) and Section 6.1(c) thereof, becomes incapable of being satisfied by the Outside Date, except that the right to terminate the Arrangement Agreement under Section 8.1(b)(iv) thereof shall not be available to any Party whose failure to fulfill any of its covenants or obligations or whose breach of any of its representations or warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of such condition to be satisfied;
- (c) by IPC if:
 - (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of BlackPearl set forth in the Arrangement Agreement occurs that would cause any condition in Section 6.2(a) or Section 6.2(b) thereof not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date or is not cured in accordance with the terms of Section 6.4 of the Arrangement Agreement; provided that any deliberate, willful or intentional breach shall be deemed to be incapable of being cured and IPC is not then in breach of the Arrangement Agreement so as to cause any condition in Sections 6.3(a) or 6.3(b) thereof not to be satisfied;
 - (ii) BlackPearl is in breach of any of BlackPearl's covenants or obligations in Section 7.1 of the Arrangement Agreement in any material respect;

- (iii) (A) the BlackPearl Board fails to unanimously recommend or withdraws, amends, modifies, changes or qualifies, or publicly proposes or states an intention to withdraw, amend, modify, change or qualify, the recommendation or determinations referred to in Section 2.3(a) of the Arrangement Agreement in a manner adverse to IPC or shall have resolved to do so prior to the Effective Date; (B) the BlackPearl Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend a Superior Proposal; or (C) the BlackPearl Board fails to publicly reaffirm the recommendation and determinations referred to in Section 2.3(a) of the Arrangement Agreement within 72 hours after having been requested in writing by IPC to do so (or in the event that the BlackPearl Securityholders' Meeting is scheduled to occur within such 72 hour period, as soon as possible and in any event prior to the BlackPearl Securityholders' Meeting); or
 - (iv) there has occurred a Material Adverse Change in respect of BlackPearl and its Subsidiaries, taken as a whole; or
- (d) by BlackPearl if:
- (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of IPC set forth in the Arrangement Agreement occurs that would cause any condition in Sections 6.3(a) or 6.3(b) thereof not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date or is not cured in accordance with the terms of Section 6.4 of the Arrangement Agreement; provided that any deliberate, willful or intentional breach shall be deemed to be incapable of being cured and BlackPearl is not then in breach of the Arrangement Agreement so as to cause any condition in Sections 6.2(a) or 6.2(b) thereof not to be satisfied;
 - (ii) prior to the approval by the BlackPearl Shareholders of the BlackPearl Arrangement Resolution, the BlackPearl Board authorizes BlackPearl to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 7.1(b)(vi) of the Arrangement Agreement) with respect to, or BlackPearl intends to accept, recommend or enter into any agreement to implement, a Superior Proposal in accordance with Section 7.1 of the Arrangement Agreement, provided BlackPearl is then in compliance with Section 7.1 and, prior to or concurrent with such termination, BlackPearl pays the amount required pursuant to and in accordance with Section 8.3(a)(ii) of the Arrangement Agreement; or
 - (iii) there has occurred a Material Adverse Change in respect of IPC and its Subsidiaries, taken as a whole.

In the event of the termination of the Arrangement Agreement pursuant to Section 8.1 thereof (as outlined under "*Effect of the Arrangement – The Arrangement Agreement – Termination*" above), the Arrangement Agreement shall forthwith become void and have no further force or effect, and neither Party (nor its Representatives or shareholders) shall have any liability or further obligation to the other Party under the Arrangement Agreement, except with respect to the provisions and obligations set forth in Section 8.2, Sections 8.3 to 8.5, where applicable, and Article 9 of the Arrangement Agreement, which shall survive any termination thereof; provided that, subject to Section 8.5 of the Arrangement Agreement, nothing contained in Section 8.2 thereof shall relieve either Party from liability for fraud or for any breach of any provision of the Arrangement Agreement. No termination of the Arrangement Agreement shall affect the obligations of the Parties pursuant to the Confidentiality Agreement, except to the extent specified therein.

Liquidated Damages

The Parties acknowledge that the agreements contained in Article 8 of the Arrangement Agreement are an integral part of the transactions contemplated therein, and that without these agreements the Parties would not have entered into the Arrangement Agreement, and that the amounts set out in Article 8 thereof, including the Termination Fee, represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which IPC or BlackPearl, as applicable, will suffer or incur as a result of the event giving rise to such damages and resultant termination of the Arrangement Agreement, and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. Each Party agrees that the payment by BlackPearl to IPC of the Termination Fee in the manner provided in Section 8.3 of the Arrangement Agreement or the payment by BlackPearl or IPC to the other Party in the manner provided in Section 8.4 thereof, as applicable, is the sole monetary remedy of such Party in respect of the event giving rise to such payment; provided that (a) this limitation shall not apply in the event of fraud or deliberate breach of the Arrangement Agreement and (b) prior to any such termination, the Parties shall also have the right to injunctive and other equitable relief in accordance with Section 9.8 of the Arrangement Agreement to prevent breaches or threatened breaches thereof and to enforce compliance with its terms.

IPC Support Agreements

On October 9, 2018, the IPC Supporting Shareholders, which includes each of the directors and officers of IPC and the largest IPC Shareholder, who collectively hold approximately 34% of the outstanding IPC Shares, entered into the IPC Support Agreements with BlackPearl, pursuant to which the IPC Supporting Shareholders agreed to vote, or cause to be voted, the IPC Shares beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the IPC Share Issuance Resolution and any other matter necessary for the consummation of the Arrangement or any other transaction contemplated by the Arrangement Agreement. Pursuant to Section 611(b) of the TSX Company Manual, the votes cast by those IPC Supporting Shareholders who are insiders of IPC and who, together with their associates and affiliates, will receive IPC Shares under the Arrangement will be excluded for the purpose of determining approval of the IPC Share Issuance Resolution. See "*Procedure for the Arrangement to Become Effective – Securityholder Approvals – IPC Shareholder Approval*".

Pursuant to the IPC Support Agreements, each IPC Supporting Shareholder has agreed, among other things, not to:

- (a) sell, transfer, convey, assign or otherwise dispose of (other than by operation of applicable Laws or in connection with the Arrangement), or enter into any agreement, arrangement or understanding relating to the sale, transfer, conveyance assignment or other disposition of, their IPC Shares, without the prior written consent of BlackPearl; and
- (b) directly or indirectly, exercise any shareholder rights or remedies available to them (whether arising under Law or otherwise) to impede, frustrate, nullify, prevent, hinder, delay, upset or challenge the Arrangement.

In addition, each IPC Supporting Shareholder has agreed not to, directly or indirectly, sell, transfer, convey, assign or otherwise dispose of any IPC Shares held by them, except with the prior written approval of IPC, during the period commencing on the Effective Date and ending on the date that is six months following the Effective Date.

Each IPC Support Agreement may be terminated on the earlier of: (a) mutual written agreement of the applicable IPC Supporting Shareholder and BlackPearl; (b) the Effective Time; (c) the date that the Arrangement Agreement is terminated in accordance with the terms thereof; (d) the date on which the BlackPearl Board recommends a Superior Proposal or accepts, approves or enters into any agreement in respect of a Superior Proposal; and (e) the Outside Date.

BlackPearl Support Agreements

On October 9, 2018, the BlackPearl Supporting Securityholders, which includes all of the directors and executive officers of BlackPearl and certain other BlackPearl Securityholders, who collectively hold approximately 35% of the outstanding BlackPearl Shares, entered into the BlackPearl Support Agreements with IPC, pursuant to which the BlackPearl Supporting Securityholders agreed to vote, or cause to be voted, the BlackPearl Shares and BlackPearl Options beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the BlackPearl Arrangement Resolution and any other matter necessary for the consummation of the Arrangement or any other transaction contemplated by the Arrangement Agreement.

Pursuant to the BlackPearl Support Agreements, each BlackPearl Supporting Securityholder has agreed, among other things, not to:

- (a) sell, transfer, convey, assign or otherwise dispose of (other than by operation of applicable Laws or in connection with the Arrangement), or enter into any agreement, arrangement or understanding relating to the sale, transfer, conveyance assignment or other disposition of, their BlackPearl Shares, BlackPearl Options or BlackPearl RSUs, without the prior written consent of IPC;
- (b) directly or indirectly: (i) exercise any Dissent Rights or similar rights of appraisal with respect to the BlackPearl Shares and BlackPearl Options which might be available to the them in connection with the Arrangement; or (ii) exercise any other shareholder rights or remedies available to them (whether arising under Law or otherwise) to impede, frustrate, nullify, prevent, hinder, delay, upset or challenge the Arrangement; and
- (c) solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing information) any Acquisition Proposal or any inquiries, proposals or offers from any other Person relating to, enter into, engage in, continue or otherwise participate in any discussions or negotiations regarding, or otherwise cooperate in any way with or assist or participate in, or facilitate or encourage any effort or attempt, with respect to any Acquisition Proposal or any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal.

In addition, each of the executive officers of BlackPearl and certain other BlackPearl Supporting Securityholders have agreed not to, directly or indirectly, sell, transfer, convey, assign or otherwise dispose of any IPC Shares held or acquired under the Arrangement by them, except with the prior written approval of IPC, during the period commencing on the Effective Date and ending on the date that is six months following the Effective Date.

Each BlackPearl Support Agreement may be terminated on the earlier of: (a) mutual written agreement of the applicable BlackPearl Supporting Securityholder and IPC; (b) the Effective Time; (c) the date that the Arrangement Agreement is terminated in accordance with the terms thereof; (d) the date on which the board of directors of BlackPearl recommends a Superior Proposal or accepts, approves or enters into any agreement in respect of a Superior Proposal; and (e) the Outside Date.

PROCEDURE FOR THE ARRANGEMENT TO BECOME EFFECTIVE

Procedural Steps

The Arrangement is proposed to be carried out pursuant to Section 192 of the CBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- (a) the IPC Share Issuance Resolution must be approved by the IPC Shareholders at the IPC Shareholders' Meeting;

- (b) the BlackPearl Arrangement Resolution must be approved by the BlackPearl Securityholders at the BlackPearl Securityholders' Meeting in the manner set forth in the Interim Order;
- (c) the Court must grant the Final Order approving the Arrangement;
- (d) all conditions to the Arrangement, as set forth in the Arrangement Agreement, including the receipt of all required Regulatory Approvals, must be satisfied or waived by the appropriate Party; and
- (e) the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Director, must be filed with the Director.

There is no assurance that the conditions set forth in the Arrangement Agreement will be satisfied or waived on a timely basis or that the Court will grant the Final Order approving the Arrangement.

Upon the conditions set forth in the Arrangement Agreement being satisfied or waived, BlackPearl intends to file the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Director, with the Director in order to give effect to the Arrangement.

Securityholder Approvals

IPC Shareholder Approval

The IPC Share Issuance Resolution must be approved by a majority of the votes cast by the IPC Shareholders present in person or represented by proxy at the IPC Shareholders' Meeting after excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual. If the IPC Share Issuance Resolution is not approved by IPC Shareholders, the Arrangement cannot be completed.

Pursuant to Section 611(c) of the TSX Company Manual, shareholder approval is required in circumstances where the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds 25% of the number of securities outstanding of the issuer (on a non-diluted basis). The Arrangement could result in the issuance of up to a number of IPC Shares equal to approximately 92.30% of the 87,921,846 IPC Shares issued and outstanding (on a non-diluted basis) as of November 9, 2018. Notwithstanding the foregoing, based on the Exchange Ratio, IPC expects to issue approximately 75.6 million IPC Shares pursuant to the Arrangement, representing approximately 85.99% of the number of IPC Shares issued and outstanding (on a non-diluted basis) as of the date hereof. The Arrangement is not expected to materially affect control of IPC. The Arrangement is not expected to materially affect control of IPC. The TSX will generally not require further approval by the IPC Shareholders for the issuance of up to an additional 20,289,277 IPC Shares, such number being 25% of the number of IPC Shares approved by IPC Shareholders for the Arrangement. IPC does not currently expect to issue any additional IPC Shares pursuant to the foregoing.

Pursuant to Section 611(b) of the TSX Company Manual, shareholder approval is required in circumstances where the number of securities issued or issuable to insiders as a group, together with any securities issued or made issuable to insiders as a group for acquisitions during the preceding six months, in payment of the purchase price for an acquisition exceeds 10% of the number of securities of the listed issuer (on a non-diluted basis), prior to the date of closing of the transaction. In such cases, insiders receiving securities pursuant to the transaction are not eligible to vote their securities in respect of such approval.

Lukas H. Lundin, the Chairman of the IPC Board, C. Ashley Heppenstall, a member of the IPC Board, and Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l., which together hold 100% of the outstanding Class C shares of Nemesia S.à.r.l. and control Nemesia S.à.r.l., beneficially own, directly or

indirectly, or exercise control or direction over, an aggregate of 56,098,585 BlackPearl Shares, representing approximately 16.63% of the outstanding BlackPearl Shares. Mr. Lundin, Mr. Heppenstall and Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l. (which control Nemesia S.à.r.l.) are expected to receive 12,341,689 IPC Shares under the Arrangement, which represents approximately 14.04% of the number of IPC Shares outstanding (on a non-diluted basis) as of the date hereof. Following completion of the Arrangement, Mr. Lundin, Mr. Heppenstall and Nemesia S.à.r.l., together with Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l. (which control Nemesia S.à.r.l.), are expected to beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 41,130,739 IPC Shares.

Accordingly, as the number of IPC Shares issuable as consideration under the Arrangement to insiders of IPC, as a group, is expected to exceed 10% of the number of IPC Shares outstanding (on a non-diluted basis) as of the date hereof, the IPC Share Issuance Resolution must be approved by the IPC Shareholders, excluding the votes cast by Mr. Lundin, Mr. Heppenstall and Nemesia S.à.r.l. (which is controlled by Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l.). It is expected that the votes in respect of an aggregate of 28,789,050 IPC Shares held by such IPC Shareholders, representing approximately 32.74% of the outstanding IPC Shares, will be excluded pursuant to Section 611(b) of the TSX Company Manual for the purpose of determining approval of the IPC Share Issuance Resolution.

Unless otherwise directed, the Persons named in the form of proxy for the IPC Shareholders' Meeting intend to vote in favour of the IPC Share Issuance Resolution in the form set forth in Appendix A to this Circular. See "*Matters to be Considered at the IPC Shareholders' Meeting*".

Notwithstanding the foregoing, the IPC Share Issuance Resolution proposed for consideration by the IPC Shareholders authorizes the IPC Board, without further notice to or approval of the IPC Shareholders: (a) to amend the Arrangement Agreement, to the extent permitted by the Arrangement Agreement; (b) issue up to an additional 20,289,277 IPC Shares, such number being 25% of the IPC Shares approved by IPC Shareholders to be issued pursuant to the Arrangement, provided that the additional IPC Shares are issued pursuant to an increase in the consideration under the Arrangement; and (c) subject to the terms of the Arrangement Agreement, to disregard the IPC Shareholders' approval and not proceed with the Arrangement at any time prior to the Effective Time. See Appendix A to this Circular for the full text of the IPC Share Issuance Resolution.

BlackPearl Securityholder Approval

Pursuant to the terms of the Interim Order, the BlackPearl Arrangement Resolution must, subject to further order of the Court, be approved by:

- (a) not less than two-thirds (66⅔%) of the votes cast by BlackPearl Securityholders, voting together as a single class, present in person or represented by proxy at the BlackPearl Securityholders' Meeting; and
- (b) not less than a simple majority of the votes cast by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by those persons whose votes are required to be excluded under MI 61-101.

Pursuant to MI 61-101, the approval of the BlackPearl Arrangement Resolution will require the affirmative vote of not less than a simple majority of the votes cast by the BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by Messrs. Festival, Cook, Sobel and Hogue. To the knowledge of the directors and executive officers of BlackPearl, after reasonable inquiry, Messrs. Festival, Cook, Sobel and Hogue beneficially own, in aggregate, 32,414,696 BlackPearl Shares, representing approximately 9.61% of the outstanding BlackPearl Shares, as of the date hereof. See "*Procedure for the Arrangement to Become Effective – Securities Law Matters – Canada – Application of MI 61-101*".

In addition, pursuant to and in accordance with the policies of the TSX, BlackPearl will be required to obtain the approval of the BlackPearl Arrangement Resolution by a majority of the votes cast by the BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting.

Unless otherwise directed, the Persons named in the form of proxy for the BlackPearl Securityholders' Meeting intend to vote in favour of the BlackPearl Arrangement Resolution in the form set forth in Appendix B to this Circular. See "*Matters to be Considered at the BlackPearl Securityholders' Meeting*".

Notwithstanding the foregoing, the BlackPearl Arrangement Resolution proposed for consideration by the BlackPearl Securityholders authorizes the BlackPearl Board, without further notice to or approval of the BlackPearl Securityholders: (a) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement and the Plan of Arrangement, as applicable; and (b) subject to the terms of the Arrangement Agreement, to disregard the approval of the BlackPearl Arrangement Resolution by the BlackPearl Securityholders and not proceed with the Arrangement at any time prior to the Effective Time. See Appendix B to this Circular for the full text of the BlackPearl Arrangement Resolution.

Court Approval

Interim Order

On November 9, 2018, BlackPearl obtained the Interim Order providing for the calling and holding of the BlackPearl Securityholders' Meeting and other procedural matters. The Interim Order is attached as Appendix D to this Circular.

Final Order

The Arrangement requires Court approval. Subject to the terms of the Arrangement Agreement, if the IPC Share Issuance Resolution and the BlackPearl Arrangement Resolution are approved at the IPC Shareholders' Meeting and the BlackPearl Securityholders' Meeting, respectively, BlackPearl will make an application to the Court for the Final Order at the Calgary Court Centre, 601 5 Street S.W., Calgary, Alberta, T2P 5P7 on Thursday, December 13, 2018 at 3:00 p.m. (Calgary time) or as soon thereafter as counsel for BlackPearl may be heard. The Notice of Originating Application for the Final Order accompanies this Circular. At the application, the Court will be requested to consider, among other things, the fairness of the Arrangement.

Any BlackPearl Securityholder or other interested party (other than IPC) desiring to appear and make submissions at the application is required to file with the Court and serve upon BlackPearl, on or before 5:00 p.m. (Calgary time) on December 4, 2018 (or the Business Day that is five Business Days prior to the date of the application if it is not held on December 13, 2018), a notice of intention to appear including such interested party's address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such interested party intends to support or oppose the application or make submissions at the Application, together with a summary of the position such interested party intends to advance before the Court, and any evidence or materials which are to be presented to the Court. Service of such notice on BlackPearl shall be effected by service upon the solicitors for BlackPearl, c/o Bennett Jones LLP, 4500 Bankers Hall East, 855 2nd Street S.W., Calgary, Alberta T2P 4K7, facsimile: (403) 265-7219, Attention: Justin R. Lambert.

The IPC Shares to be received by BlackPearl Shareholders and holders of BlackPearl Incentive Awards pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or any state U.S. Securities Laws, and will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof and in compliance with or pursuant to an exemption from the registration or qualification requirements of U.S. state or "blue sky"

securities laws. The Court has been advised that the Final Order, if granted, will constitute the basis for an exemption from the registration requirements of the U.S. Securities Act, pursuant to Section 3(a)(10) thereof, with respect to the issuance of the IPC Shares issuable to BlackPearl Shareholders pursuant to the Arrangement.

BlackPearl has been advised by its counsel that the Court has broad discretion under the CBCA when making the Final Order with respect to the Arrangement and that the Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the Arrangement to the BlackPearl Shareholders and any other interested party as the Court determines appropriate. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court may determine appropriate. Either BlackPearl or IPC may, subject to the terms of the Arrangement Agreement, determine not to proceed with the Arrangement in the event that any amendment ordered by the Court is not satisfactory to such Party.

Regulatory Approvals

The Arrangement Agreement provides that receipt of all required Regulatory Approvals, including the Competition Act Approval, conditional approval of the TSX to the listing of the IPC Shares issuable pursuant to the Arrangement, that the conditions for listing the IPC Shares issuable pursuant to the Arrangement on the Nasdaq have been satisfied and the registration of the IPC Swedish Prospectus by the Swedish Financial Supervisory Authority shall have been obtained, is a condition to the Arrangement becoming effective. See "*Effect of the Arrangement*".

Competition Act Approval

The Arrangement is a "notifiable transaction" for the purposes of Part IX of the Competition Act. Subject to certain limited exceptions, a notifiable transaction cannot be completed until the parties to the transaction have each submitted certain prescribed information (a "**pre-merger notification**") to the Commissioner under Part IX of the Competition Act and the applicable waiting period has expired or terminated or has been waived.

Alternatively, or in addition to filing a pre-merger notification, a party to a notifiable transaction may apply to the Commissioner for an advance ruling certificate pursuant to Section 102 of the Competition Act (an "**ARC**"). Alternatively, the Commissioner may issue a "no action letter" (a "**no-action letter**") indicating that the Commissioner does not, as at such date, intend to make an application under Section 92 of the Competition Act in respect of the notifiable transaction. Upon the issuance of an ARC or a no-action letter (along with a waiver from the Commissioner of the obligation to file a pre-merger notification), the parties to the notifiable transaction are entitled to complete the transaction under the provisions of the Competition Act. Completion of the Arrangement is subject to the condition that: (a) an ARC shall have been issued by the Commissioner with respect to the Arrangement; or (b) both of: (i) the applicable waiting period, including any extension thereof, under Section 123(1) of the Competition Act shall have expired or shall have been terminated under subsection 123(2) of the Competition Act or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act shall have been waived by the Commissioner in accordance with paragraph 113(c) of the Competition Act; and (ii) IPC shall have received a no-action letter from the Commissioner in respect of the Arrangement.

On November 5, 2018, the Competition Act Approval, in the form of an ARC issued by the Commissioner, was received by IPC and BlackPearl.

Stock Exchange Listings and Approvals

IPC is a reporting issuer in Alberta and Ontario. The IPC Shares are listed and posted for trading on the TSX and Nasdaq under the symbol "IPCO".

On October 9, 2018, the last trading day on which the IPC Shares traded prior to announcement of the Arrangement, the closing price of the IPC Shares on the TSX and the Nasdaq was \$7.65 and SEK 53.40, respectively. On November 9, 2018, the closing price of the IPC Shares on the TSX and the Nasdaq was \$5.62 and SEK 40.10, respectively.

BlackPearl is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The BlackPearl Shares are listed and posted for trading on the TSX under the symbol "PXX" and the BlackPearl SDRs are traded on the Nasdaq under the symbol "PXXS".

On October 9, 2018, the last trading day on which the BlackPearl Shares traded prior to announcement of the Arrangement, the closing price of the BlackPearl Shares on the TSX was \$1.30. On November 9, 2018, the closing price of the BlackPearl Shares on the TSX was \$1.23.

For information with respect to the trading history of the IPC Shares and BlackPearl Shares, see "*Information Concerning International Petroleum Corporation – Price Range and Trading Volumes*" and "*Information Concerning BlackPearl Resources Inc. – Price Range and Trading Volumes*", as applicable.

It is anticipated that the BlackPearl Shares will be delisted from the TSX and the BlackPearl SDRs will be delisted from the Nasdaq following completion of the Arrangement and IPC will apply to have BlackPearl cease to be a reporting issuer in the jurisdictions in which it is currently a reporting issuer. As a result of the Arrangement, IPC will become a reporting issuer in British Columbia, Saskatchewan and Manitoba.

It is a condition to the completion of the Arrangement that the TSX shall have conditionally approved the listing of the IPC Shares to be issued to BlackPearl Shareholders pursuant to the Arrangement. It is a further condition to the completion of the Arrangement that the conditions for listing the IPC Shares issuable pursuant to the Arrangement on the Nasdaq have been satisfied. As of the date of this Circular, IPC has applied to list the IPC Shares to be issued to BlackPearl Shareholders pursuant to the Arrangement on the TSX. Listing is subject to IPC fulfilling all of the listing requirements of the Exchanges.

Registration and Approval of the IPC Swedish Prospectus

The IPC Shares are listed and posted for trading on the Nasdaq. IPC has prepared and filed with the Swedish Financial Supervisory Authority the IPC Swedish Prospectus in connection with the admission to trading on the Nasdaq of up to 81,157,106 IPC Shares issuable in connection with the Arrangement. It is a condition to the completion of the Arrangement that the Swedish Financial Supervisory Authority shall have granted its approval of and registered the IPC Swedish Prospectus.

Securities Law Matters

Canada

Resale of IPC Shares

The IPC Shares to be issued under the Arrangement will be issued in reliance on exemptions from prospectus requirements of applicable Canadian Securities Laws. The IPC Shares issued under the Arrangement will generally be "freely tradeable" in Canada and the resale of such IPC Shares will be exempt from prospectus requirements (other than as a result of any "control block" restrictions which may arise by virtue of the ownership thereof) under applicable Canadian Securities Laws.

Application of MI 61-101

As a reporting issuer in Alberta, Manitoba and Ontario, BlackPearl is subject to the provisions of MI 61-101. MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among securityholders, generally by requiring enhanced disclosure, minority securityholder approval, and, in

certain instances, independent valuations and approval and oversight of certain transactions by a special committee of independent directors.

As previously described in this Circular, all BlackPearl Shares will be exchanged for IPC Shares under the terms of the Plan of Arrangement. Unless certain exceptions apply, the Arrangement may be considered a "business combination" in respect of BlackPearl pursuant to MI 61-101 since the interest of a holder of a BlackPearl Shares may be terminated without the holder's consent. Accordingly, unless no "related party" of BlackPearl is entitled to receive, directly or indirectly, a "collateral benefit" (as defined in MI 61-101) in connection with the Arrangement, the transaction would be considered a "business combination" and subject to minority approval requirements pursuant to MI 61-101.

If "minority approval" (as defined in MI 61-101) is required, MI 61-101 would require that, in addition to the approval of the BlackPearl Arrangement Resolution by not less than two-thirds (66⅔%) of the votes cast by the BlackPearl Securityholders, voting together as a single class, present in person or represented by proxy, the Arrangement would also require the approval of a simple majority of the votes cast by BlackPearl Shareholders, excluding votes cast in respect of BlackPearl Shares held by "related parties" who receive a "collateral benefit" (as such terms are defined in MI 61-101) as a consequence of the Arrangement.

However, the minority approval requirements of MI 61-101 do not apply to certain transactions in which a related party beneficially owns, or exercises control or direction over, less than 1% of an issuer's outstanding equity securities, or to certain transactions in which an independent committee of directors, such as the BlackPearl Special Committee, has determined, acting in good faith, that the value of the benefits received by a related party, net of any offsetting costs to the related party, is less than 5% of the value the related party expects to receive pursuant to the transaction in exchange for equity securities, provided the independent committee's determination is disclosed in the disclosure document for the transaction.

Certain directors and executive officers of BlackPearl may receive a benefit as a result of the Arrangement in connection with the accelerated vesting of BlackPearl Incentive Awards previously granted to such directors and executive officers in connection with their employment with BlackPearl. In addition, certain executive officers of BlackPearl are entitled to receive one-time payments in connection with a change of control of BlackPearl pursuant to new consulting or employment arrangements with IPC entered into in connection with the Arrangement. See "*Interests of Directors and Officers in the Arrangement – BlackPearl*".

To the knowledge of the directors and executive officers of BlackPearl, after reasonable inquiry, as of October 9, 2018 (the date that the Arrangement Agreement was entered into), each director and executive officer of BlackPearl, other than John Festival, Don Cook, Ed Sobel and Chris Hogue, and their associated entities beneficially owned, or exercised control or direction, over less than 1% of the outstanding BlackPearl Shares. As a result, such directors and officers will not receive a "collateral benefit" under the Arrangement for purposes of MI 61-101.

Each of John Festival, Don Cook, Ed Sobel and Chris Hogue are parties to employment agreements with BlackPearl that provide for a change of control payment equivalent to 24 months' salary, plus 10% in lieu of benefits plus a payment equal to the respective executive officer's aggregate annual bonus during the last two years. The Arrangement would constitute a change of control for purposes of these employment agreements.

In connection with the Arrangement, John Festival and Don Cook have entered into offer letters with IPC whereby they have agreed to terms of consulting arrangements with IPC or an affiliate of IPC following completion of the Arrangement and have also agreed to defer payment of the change of control payments that would otherwise be payable under their respective employment agreements in connection with the completion of the Arrangement for a period of six months, subject to the terms and conditions thereof. The consulting arrangements have a term of six months, subject to earlier termination in accordance with the terms and conditions thereof.

In connection with the Arrangement, Ed Sobel and Chris Hogue have entered into offer letters with IPC whereby they have agreed to terms of employment with IPC or an affiliate of IPC following completion of the Arrangement and have also agreed to defer payment of the change of control payments that would otherwise be payable under their respective employment agreements in connection with the completion of the Arrangement until such time as: (a) in the event the applicable executive officer's employment is terminated by IPC after a period of two years following the Effective Date, IPC shall be required to make the change of control payment to the applicable executive officer immediately following the effective date of such termination; (b) in the event the applicable executive officer resigns after a period of two years following the Effective Date, IPC shall be required to make the change of control payment to the applicable executive officer immediately following the effective date of such resignation; (c) in the event the applicable executive officer's employment is terminated by IPC during the two years following the Effective Date, IPC shall be required to make the change of control payment to the applicable executive officer immediately following the effective date of such termination; and (d) in the event the applicable executive officer resigns during the two years following the Effective Date, IPC shall not be required to make the change of control payment, which shall be forfeited by such executive officer.

The value of the benefit to be received by each of John Festival, Don Cook, Ed Sobel and Chris Hogue for the accelerated vesting of the BlackPearl Incentive Awards held by them, together with the value of the compensation they will be entitled to receive pursuant to their consulting or employment arrangements, as applicable, with IPC plus the change of control payments they will become entitled to as a result of the Arrangement (notwithstanding the deferral arrangements described above) under the Arrangement exceeds 5% of the value of the consideration to be received by each such executive officer for his BlackPearl Shares under the Arrangement. Consequently, these executive officers will receive a "collateral benefit" under the Arrangement for purposes of MI 61-101.

Accordingly, the Arrangement is considered a "business combination" in respect of BlackPearl and as a result, "minority approval" is required for the BlackPearl Arrangement Resolution. As such, the approval of the BlackPearl Arrangement Resolution will require the affirmative vote of not less than a simple majority of the votes cast by the BlackPearl Securityholders, voting together as a single class, present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by Messrs. Festival, Cook, Sobel and Hogue, which is required pursuant to MI 61-101. To the knowledge of the directors and executive officers of BlackPearl, after reasonable inquiry, Messrs. Festival, Cook, Sobel and Hogue beneficially own, in aggregate, 32,414,696 BlackPearl Shares, representing approximately 9.61% of the outstanding BlackPearl Shares, as of the date hereof.

Sweden

The IPC Shares to be issued under the Arrangement will be issued under the IPC Swedish Prospectus. The IPC Shares issued under the Arrangement will be "freely tradeable" in Sweden. Only IPC Shares registered in the Swedish local central securities depository system with Euroclear will be subject to trading on the Nasdaq following the closing of the Arrangement. Holders of IPC Shares listed on the TSX will be entitled to register those IPC Shares in the depository system at Euroclear in order to trade their securities on the Nasdaq and *vice versa*. In order to trade IPC Shares on the Nasdaq, holders of IPC Shares are advised to contact their Intermediary. No physical share certificates representing IPC Shares will be issued to holders of IPC Shares through Euroclear.

United States

The IPC Shares to be received by BlackPearl Shareholders and holders of BlackPearl Incentive Awards pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or any state U.S. Securities Laws and will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof on the basis of the approval of the Court. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of securities issued in exchange for one or more *bona fide* outstanding securities, or partly in such exchange and partly for cash, from the registration requirements of the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is

expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the substantive and procedural fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on November 9, 2018 and, subject to the approval of the Arrangement by the BlackPearl Securityholders and satisfaction of certain other conditions, a hearing on the application for the Final Order will be held on Thursday, December 13, 2018 by the Court. All BlackPearl Securityholders are entitled to appear and be heard at this hearing. The Final Order of the Court will, if granted, after the Court considers the substantive and procedural fairness of the Arrangement to the BlackPearl Securityholders, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the IPC Shares to be received by BlackPearl Shareholders and holders of BlackPearl Incentive Awards pursuant to the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. See "*Procedure for the Arrangement to Become Effective – Court Approval*".

The IPC Shares receivable by BlackPearl Shareholders and holders of BlackPearl Incentive Awards resident in the United States pursuant to the Arrangement will be, following completion of the Arrangement, freely transferable under the U.S. Securities Act, except by persons who are "affiliates" (within the meaning of Rule 144) of IPC after the Effective Date or were "affiliates" of IPC within 90 days before the Effective Date. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such IPC Shares by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. IPC Shareholders resident in the U.S. should consult their own legal counsel regarding their status as an "affiliate" of IPC.

Any resale of such IPC Shares by such an affiliate (or such former affiliate, as described above) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell IPC Shares outside the United States without registration under the U.S. Securities Act pursuant to Regulation S. If available, such affiliates (and former affiliates) may also resell such IPC Shares pursuant to Rule 144, subject to volume, manner of sale and notice requirements, as described below.

Affiliates – Rule 144

In general, under Rule 144, persons who are affiliates of IPC after the Effective Date (or were affiliates of IPC within 90 days prior to the Effective Date) will be entitled to sell, during any three month period, the IPC Shares that they receive in connection with the Arrangement, provided that the number of such securities sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange (such as the New York Stock Exchange) and/or reported through the automated quotation system of a U.S. registered securities association, the average weekly trading volume of such securities during the four calendar week period preceding the date of transmitting to the SEC a notice of sale on Form 144, subject to the other provisions of Rule 144, including specified restrictions on manner of sale, the filing of a Form 144, aggregation rules and the availability of current public information about IPC. Persons who are affiliates of IPC after the Effective Date (or within 90 days prior thereto) will continue to be subject to the resale restrictions described in this paragraph for so long as they continue to be affiliates of IPC.

Affiliates – Regulation S

In general, under Regulation S, persons who are affiliates of IPC following the Effective Date (or were affiliates of IPC within 90 days prior to the Effective Date) solely by virtue of their status as an officer or director of IPC may sell their IPC Shares outside the United States in an "offshore transaction" if neither the seller, an affiliate nor any person acting on its behalf engages in "directed selling efforts" in the United

States and provided that no selling commission, fee or other remuneration is paid in connection with such sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. For purposes of Regulation S, "directed selling efforts" means "any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered". Also, under Regulation S, subject to certain exceptions contained in Regulation S, an "offshore transaction" is a transaction in which the offer of the applicable securities is not made to a person in the United States, and either (a) at the time the buy order is originated, the buyer is outside the United States or the seller reasonably believes that the buyer is outside of the United States, or (b) the transaction is executed in, on or through the facilities of a designated offshore securities market (which would include a sale on the TSX). Certain additional restrictions, set forth in Rule 903 of Regulation S, are applicable to sales outside the United States and to "U.S. persons" (as such term is defined in Regulation S) by a holder of IPC Shares who is an affiliate of IPC after the completion of the Arrangement (or was an affiliate of IPC within 90 days prior to the Effective Date) other than by virtue of his or her status as an officer or director of IPC.

The foregoing discussion is only a general overview of certain requirements of United States federal securities Laws that may be applicable to the resale of IPC Shares received upon completion of the Arrangement. The discussion is based in part on non-binding interpretations and no-action letters provided by the staff of the SEC, which do not have the force of law. All holders of such securities are urged to obtain legal advice to ensure that the resale of such securities complies with applicable U.S. federal and state securities laws. All U.S. shareholders are urged to consult with their own counsel with respect to the Arrangement and to ensure that any subsequent resale of securities issued or distributed to them under the Arrangement complies with applicable securities legislation.

Corporate Law Matters

IPC is incorporated under the *Business Corporations Act* (British Columbia) and BlackPearl is continued under the CBCA. Accordingly, there may be differences in the rights of holders of IPC Shares compared to the rights of holders of BlackPearl Shares. As BlackPearl Shareholders (other than Dissenting BlackPearl Shareholders) will receive IPC Shares under the Arrangement, BlackPearl Shareholders (other than Dissenting BlackPearl Shareholders) should consult their own legal advisors with respect to these differences and the impact that any relevant differences may have on their individual circumstances.

Procedure for Exchange of BlackPearl Share Certificates

A copy of the Letter of Transmittal is enclosed with this Circular. To receive the IPC Shares issuable pursuant to the Arrangement, the enclosed Letter of Transmittal must be duly completed, executed and returned with the certificate(s) representing BlackPearl Shares and any other documentation as provided in the Letter of Transmittal, to the office of the Depositary specified in the Letter of Transmittal. In the event that the Arrangement is not completed, such certificate(s) representing BlackPearl Shares will be promptly returned. Upon surrender to the Depositary of a duly completed and executed Letter of Transmittal, the certificate(s) representing BlackPearl Shares and any other documentation as provided in the Letter of Transmittal, the Depositary shall (subject to any withholdings, if applicable) deliver to such holder a direct registration advice ("**DRS Advice**") evidencing registered ownership of the IPC Shares to which the holder of such certificate(s) representing BlackPearl Shares is entitled pursuant to the Arrangement (together with any dividends or distributions with respect thereto pursuant to the Plan of Arrangement). See "*Effect of the Arrangement – General*". Additional copies of the Letter of Transmittal are available by contacting the Depositary at 1-800-564-6253.

BlackPearl Shareholders whose BlackPearl Shares are registered in the name of an Intermediary must contact such Intermediary to deposit their BlackPearl Shares.

BlackPearl Shareholders are encouraged to deliver a duly completed and executed Letter of Transmittal together with the certificate(s) representing BlackPearl Shares to the Depositary as soon as possible.

None of BlackPearl, IPC or the Depositary are liable for failure to notify BlackPearl Shareholders, nor do they have any obligation to notify BlackPearl Shareholders, who make a deficient deposit with the Depositary.

BlackPearl and IPC reserve the right to permit the procedure for the exchange of BlackPearl Shares pursuant to the Arrangement to be completed other than that as set out above.

From and after the Effective Time, certificates formerly representing BlackPearl Shares shall represent only the right to receive IPC Shares to which the holders are entitled pursuant to the Arrangement.

The use of mail to transmit certificates representing BlackPearl Shares and the Letter of Transmittal is at each BlackPearl Shareholder's option and risk. BlackPearl recommends that such certificates and documents be delivered by hand to the Depositary and a receipt therefor be obtained or, if mailed, by registered mail with return receipt being used and that appropriate insurance be obtained.

If a share certificate has been lost or destroyed, the Letter of Transmittal should be completed as fully as possible and forwarded, together with a letter describing the loss, to the Depositary. The Depositary will forward such letter to BlackPearl so that BlackPearl may provide replacement instructions. The replacement certificate must be received by the Depositary prior to issuing the IPC Shares.

Any certificate which immediately prior to the Effective Time represented outstanding BlackPearl Shares that has not been validly deposited with all other documents as required pursuant to the Arrangement on or before the last Business Day prior to the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature against IPC or BlackPearl, including the right of such former BlackPearl Shareholder to receive IPC Shares. In such circumstances, the Person ultimately entitled to any IPC Shares hereunder shall be deemed to have surrendered or forfeited such entitlement to such IPC Shares for no consideration.

Any payment made by BlackPearl, the Depositary or IPC pursuant to the Plan of Arrangement that has not been deposited or has been returned to BlackPearl, the Depositary or IPC, as applicable, or that otherwise remains unclaimed, in each case, on or before the third anniversary of the Effective Date shall be returned by the Depositary to IPC, and any right or claim to payment under the Arrangement that remains outstanding on or before the last Business Day prior to the third anniversary of the Effective Date shall cease to represent a right or claim by or interest of any kind or nature, and the right of a former holder of BlackPearl Shares to receive the consideration for such BlackPearl Shares pursuant to the Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to IPC for no consideration.

In the event that the Arrangement does not proceed, all certificates representing BlackPearl Shares deposited with a Letter of Transmittal will be returned to BlackPearl Shareholders at the name and address specified in Letter of Transmittal by first class mail or, if no name or address is specified, at such name and such address as is shown on the register maintained by BlackPearl.

Notwithstanding the provisions of this Circular, the Letter of Transmittal, the Arrangement Agreement or the Plan of Arrangement, DRS Advices representing IPC Shares and certificates representing BlackPearl Shares to be returned will not be mailed, if IPC determines that delivery thereof by mail may be delayed. Persons entitled to certificates, DRS Advices and other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary at which the deposited certificates representing BlackPearl Shares in respect of which certificates or DRS Advices are being issued were originally deposited upon application to the Depositary until such time as IPC has determined that delivery by mail will no longer be delayed. Notwithstanding the foregoing, certificates, DRS Advices and other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery at the office of the Depositary at which the BlackPearl Shares were deposited and payment for those BlackPearl Shares shall be deemed to have been immediately made upon such deposit.

DISSENT RIGHTS

If you are a Registered BlackPearl Shareholder, you are entitled to dissent from the BlackPearl Arrangement Resolution in the manner provided by the Interim Order.

The following description of the rights of Registered BlackPearl Shareholders to dissent from the BlackPearl Arrangement Resolution is not a comprehensive statement of the procedures to be followed by a Dissenting BlackPearl Shareholder who seeks payment of the fair value of their BlackPearl Shares. A Registered BlackPearl Shareholder's failure to follow exactly the procedures set forth in the Plan of Arrangement and the Interim Order will result in the loss of such holder's Dissent Rights. This section summarizes the Dissent Rights available to Registered BlackPearl Shareholders. If you are a Registered BlackPearl Shareholder and wish to dissent, you should obtain your own legal advice and carefully read the provisions of the Plan of Arrangement, the Interim Order and Section 190 of the CBCA, which are attached as Schedule A to Appendix C, Appendix D and Appendix E, respectively.

Beneficial owners of BlackPearl Shares registered in the name of an Intermediary and who wish to dissent should be aware that only Registered BlackPearl Shareholders are entitled to exercise Dissent Rights. A Registered BlackPearl Shareholder who holds BlackPearl Shares as Intermediary for more than one beneficial owner, some of whom wish to exercise Dissent Rights, must exercise such Dissent Rights on behalf of such holders who wish to dissent. In such case, the Dissent Notice should specify the number of Dissent Shares. A Dissenting BlackPearl Shareholder may only dissent with respect to all the BlackPearl Shares held on behalf of any one beneficial owner and registered in the name of such Dissenting BlackPearl Shareholder.

A Dissenting BlackPearl Shareholder shall, pursuant to Section 3.1(c) of the Plan of Arrangement, be deemed to have transferred the holder's BlackPearl Shares to BlackPearl (free and clear of any Encumbrances) for cancellation without any further act or formality. Such Dissenting BlackPearl Shareholders shall cease to have any rights as BlackPearl Shareholders, other than the right to be paid the fair value for such BlackPearl Shares in accordance with Section 5.1 of the Plan of Arrangement, and the names of such holders shall be removed from the register of BlackPearl Shareholders. The fair value of the BlackPearl Shares shall be determined as of the close of business on the last Business Day before the day on which the BlackPearl Arrangement Resolution is approved by the BlackPearl Securityholders at the BlackPearl Securityholders' Meeting.

A Dissenting BlackPearl Shareholder who, for any reason, is not ultimately entitled to be paid the fair value of such holder's BlackPearl Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting BlackPearl Shareholder, and shall be entitled to receive only the consideration contemplated in Section 3.1(d) of the Plan of Arrangement that such BlackPearl Shareholder would have received pursuant to the Arrangement if such BlackPearl Shareholder had not exercised Dissent Rights.

In order for a Registered BlackPearl Shareholder to exercise dissent rights, such Registered BlackPearl Shareholder's Dissent Notice must be received by BlackPearl c/o Bennett Jones LLP, 4500 Bankers Hall East, 855 2nd Street S.W., Calgary, Alberta T2P 4K7, facsimile: (403) 265-7219, Attention: Justin R. Lambert, by 4:00 p.m. (Calgary time) on December 5, 2018, or by 4:00 p.m. (Calgary time) on the date that is five Business Days prior to the date that any adjournment or postponement of the BlackPearl Securityholders' Meeting is reconvened or held, as the case may be. It is important that BlackPearl Shareholders strictly comply with this requirement, which is different from the statutory dissent provisions of the CBCA which would permit a Dissent Notice to be provided at or prior to the BlackPearl Securityholders' Meeting.

The delivery of a Dissent Notice does not deprive a Registered BlackPearl Shareholder of the right to vote at the BlackPearl Securityholders' Meeting; however, a Registered BlackPearl Shareholder who has submitted a Dissent Notice and who votes in favour of the BlackPearl Arrangement Resolution will not be a Dissenting BlackPearl Shareholder with respect to BlackPearl Shares voted in favour of the BlackPearl Arrangement Resolution. If a Dissenting BlackPearl Shareholder votes in favour of the BlackPearl

Arrangement Resolution in respect of a portion of the BlackPearl Shares registered in its name and held by such Dissenting BlackPearl Shareholder on behalf of any one beneficial owner, such vote approving the BlackPearl Arrangement Resolution will be deemed to apply to the entirety of the BlackPearl Shares held by the Dissenting BlackPearl Shareholder in the name of such beneficial owner. **A vote against the BlackPearl Arrangement Resolution at the BlackPearl Securityholders' Meeting will not constitute a Dissent Notice.**

Within ten days after the approval of the BlackPearl Arrangement Resolution, BlackPearl is required to notify each Dissenting BlackPearl Shareholder that the BlackPearl Arrangement Resolution has been approved. BlackPearl is not, however, required to send such notice to a Registered BlackPearl Shareholder who voted for the BlackPearl Arrangement Resolution or who has withdrawn a previously delivered Dissent Notice.

A Dissenting BlackPearl Shareholder must, within twenty (20) days after the Dissenting BlackPearl Shareholder receives notice that the BlackPearl Arrangement Resolution has been approved or, if the Dissenting BlackPearl Shareholder does not receive such notice, within twenty (20) days after the Dissenting BlackPearl Shareholder learns that the BlackPearl Arrangement Resolution has been approved, send a demand for payment (a "**Demand Notice**") to BlackPearl containing: (a) the Dissenting BlackPearl Shareholder's name and address; (b) the number of Dissent Shares held by the Dissenting BlackPearl Shareholder; and (c) a demand for payment of the fair value of such Dissent Shares. Within thirty (30) days after sending a Demand Notice, the Dissenting BlackPearl Shareholder must send to the Chief Financial Officer of BlackPearl at 9th Floor, 215 – 9th Avenue S.W., Penn West Plaza – West Tower, Calgary, Alberta, T2P 1K3 or to Computershare Trust Company of Canada, at 530 – 8th Avenue S.W., 6th Floor, Calgary, Alberta, T2P 3S8, the certificates representing the Dissent Shares. A Dissenting BlackPearl Shareholder who fails to send the certificates representing the Dissent Shares forfeits its right to make a claim for payment of the fair value of its Dissent Shares. BlackPearl or Computershare Trust Company of Canada will endorse on share certificates received from a Dissenting BlackPearl Shareholder a notice that the holder thereof is a Dissenting BlackPearl Shareholder and will forthwith return the share certificates to the Dissenting BlackPearl Shareholder.

On the delivery of a Demand Notice (and in any event upon the Effective Date), a Dissenting BlackPearl Shareholder shall cease to have any rights as a holder of its Dissent Shares, other than the right to be paid the fair value of its Dissent Shares as determined pursuant to the Interim Order, except where, prior to the Effective Date: (a) the Dissenting BlackPearl Shareholder withdraws its Demand Notice before BlackPearl makes an Offer to Pay (as defined below) to the Dissenting BlackPearl Shareholder; or (b) an Offer to Pay is not made and the Dissenting BlackPearl Shareholder withdraws its Demand Notice. Pursuant to the Plan of Arrangement, in no event shall BlackPearl or IPC be required to recognize any Dissenting BlackPearl Shareholder as a BlackPearl Shareholder at or after the Effective Date and the names of such holders shall be removed from the register of BlackPearl Shareholders as at the Effective Time. For greater certainty, in addition to any other restrictions under Section 190 of the CBCA, any Person who has voted or has instructed a proxyholder to vote their BlackPearl Shares in favour of the BlackPearl Arrangement Resolution shall not be entitled to exercise Dissent Rights.

No later than seven days after the later of the Effective Date and the date on which a Demand Notice of a Dissenting BlackPearl Shareholder is received, as applicable, BlackPearl must send to each Dissenting BlackPearl Shareholder who has sent a Demand Notice a written offer to pay (an "**Offer to Pay**") for its Dissent Shares in an amount considered by BlackPearl to be the fair value of the Dissent Shares, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay must be on the same terms as every other Offer to Pay.

Payment for the Dissent Shares of a Dissenting BlackPearl Shareholder must be made within ten days after an Offer to Pay has been accepted by a Dissenting BlackPearl Shareholder, but any such Offer to Pay lapses if an acceptance thereof is not received within thirty (30) days after the date on which the Offer to Pay has been made. If an Offer to Pay for the Dissent Shares of a Dissenting BlackPearl Shareholder is not made, or if a Dissenting BlackPearl Shareholder fails to accept an Offer to Pay that has been made, BlackPearl may, within fifty (50) days after the Effective Date or within such further

period as the Court may allow, apply to the Court to fix a fair value for the Dissent Shares of Dissenting BlackPearl Shareholders.

If no such application is made by BlackPearl, a Dissenting BlackPearl Shareholder may apply to the Court for the same purpose within a further period of twenty (20) days or within such further period as the Court may allow. A Dissenting BlackPearl Shareholder is not required to give security for costs in such an application.

Upon an application to the Court, all Dissenting BlackPearl Shareholders whose Dissent Shares have not been purchased will be joined as parties and bound by the decision of the Court, and BlackPearl will notify each affected Dissenting BlackPearl Shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or represented by counsel. Upon any such application to the Court, the Court may determine whether any other Person is a Dissenting BlackPearl Shareholder who should be joined as a party, and the Court will then fix a fair value for the Dissent Shares of all such Dissenting BlackPearl Shareholders. The final order of the Court will be rendered against BlackPearl in favour of each Dissenting BlackPearl Shareholder joined as a party and for the amount of the Dissent Shares as fixed by the Court.

The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each such Dissenting BlackPearl Shareholder from the Effective Date until the date of payment.

Registered BlackPearl Shareholders who are considering exercising Dissent Rights should be aware that there can be no assurance that the fair value of their BlackPearl Shares as determined by BlackPearl or the Court, as the case may be, will be more than or equal to the consideration to be received by BlackPearl Shareholders pursuant to the Arrangement. In addition, any judicial determination of fair value may result in a delay of receipt by a Dissenting BlackPearl Shareholder of consideration for such Dissenting BlackPearl Shareholder's Dissent Shares.

The above is only a summary, is qualified in its entirety by reference to the complete text of Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, and does not purport to provide a comprehensive statement of the procedures to be followed by BlackPearl Dissenting Shareholders who seek payment of the fair value of their BlackPearl Shares. If you are a BlackPearl Shareholder and wish to exercise Dissent Rights, you should seek your own legal advice as failure to strictly comply with the provisions of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may prejudice your Dissent Rights. For a general summary of certain Canadian income tax consequences to Dissenting BlackPearl Shareholders, see "*Certain Canadian Federal Income Tax Considerations*". Registered BlackPearl Shareholders and non-Canadian BlackPearl Shareholders considering exercising Dissent Rights should also seek the advice of their own tax and investment advisors.

Holders of BlackPearl Incentive Awards are not entitled to dissent rights in respect of any BlackPearl Incentive Awards held.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations in respect of the disposition of BlackPearl Shares pursuant to the Arrangement and the holding of IPC Shares received pursuant to the Arrangement. This summary is generally applicable to a beneficial owner of BlackPearl Shares who, at all relevant times, for purposes of the Tax Act: (a) deals at arm's length with BlackPearl and IPC; (b) is not affiliated with BlackPearl or IPC; and (c) holds the BlackPearl Shares, and will hold any IPC Shares received under the Arrangement, as capital property (a "**Holder**"). Generally, the BlackPearl Shares and the IPC Shares will be capital property to a Holder provided the Holder does not hold such shares in the course of carrying on a business of buying and selling securities or as part of an adventure or concern in the nature of trade. This summary does not address all issues relevant to Holders who acquired their BlackPearl Shares on the exercise of options or pursuant to other employee equity compensation plans. Such Holders should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act, and current administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in Law or administrative policy or assessing practice whether by legislative, regulation, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is not applicable to: (a) a Holder that is a "specified financial institution"; (b) a Holder an interest in which is a "tax shelter investment"; (c) a Holder that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a "financial institution"; (d) a Holder that reports its "Canadian tax results" in a currency other than Canadian currency; or (e) a Holder that has entered into, or will enter into, with respect to its BlackPearl Shares or IPC Shares, as the case may be, a "derivative forward agreement", each as defined in the Tax Act. Such Holders should consult their own tax advisors.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada and is, or becomes, controlled by a non-resident corporation for the purposes of the "foreign affiliate dumping" rules in Section 212.3 of the Tax Act. Such Holders should consult their own tax advisors.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, BlackPearl Shareholders should consult their own tax advisors having regard to their own particular circumstances.

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention, is, or is deemed to be, resident in Canada (a "**Resident Holder**"). Certain Resident Holders may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act, the effect of which may be to deem to be capital property any BlackPearl Shares and IPC Shares (and all other "Canadian securities", as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years. Resident Holders whose BlackPearl Shares or IPC Shares might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

Exchange of BlackPearl Shares under the Arrangement

Exchange of Shares – No Tax Election

Pursuant to the Arrangement, a Resident Holder will receive 0.22 of an IPC Share for each BlackPearl Share held.

For each BlackPearl Share that is exchanged for 0.22 of an IPC Share under the Arrangement, the Resident Holder will be deemed to have disposed of such BlackPearl Share under a tax-deferred share-for-share exchange pursuant to Section 85.1 of the Tax Act, unless the Resident Holder chooses to recognize a capital gain (or capital loss) as described in paragraph (b) below or makes a valid Tax Election (as defined herein). See "*Exchange of Shares – Tax Election*" below for further details.

- (a) Where a Resident Holder does not choose to recognize a capital gain (or capital loss) on the exchange or to file a valid Tax Election, the Resident Holder will be deemed to have disposed of such BlackPearl Shares for proceeds of disposition equal to the aggregate adjusted cost base of those BlackPearl Shares to the Resident Holder, determined immediately before the exchange, and the Resident Holder will be deemed to have acquired the IPC Shares at an aggregate cost equal to such adjusted cost base of the BlackPearl Shares. This cost will be averaged with the adjusted cost base of all other IPC Shares held by the Resident Holder as capital property for the purposes of determining the adjusted cost base of each IPC Share held by the Resident Holder as capital property.
- (b) A Resident Holder may choose to recognize a capital gain (or capital loss) in respect of the exchange of BlackPearl Shares for IPC Shares by not making a Tax Election and including the capital gain (or capital loss) in computing the Resident Holder's income for the taxation year in which the exchange takes place. In such circumstances, the Resident Holder will recognize a capital gain (or capital loss) equal to the amount, if any, by which the fair market value of the IPC Shares received exceeds (or is exceeded by) the aggregate of the adjusted cost base of such BlackPearl Shares to the Resident Holder, determined immediately before the exchange, and any reasonable costs associated with the exchange. For a description of the tax treatment of capital gains and capital losses, see "*Taxation of Capital Gains and Losses*" below. The cost of the IPC Shares acquired on the exchange will be equal to the fair market value thereof at the time of the exchange. This cost will be averaged with the adjusted cost base of all other IPC Shares held by the Resident Holder as capital property for the purpose of determining the adjusted cost base of each IPC Share held by the Resident Holder as capital property.

Exchange of Shares – Tax Election

A Resident Holder who is an Eligible Holder may also obtain a full or partial tax deferral in respect of the disposition of a BlackPearl Share as a consequence of filing with the CRA (and, where applicable, with a provincial tax authority) a joint election made by the Eligible Holder and IPC under subsection 85(1) of the Tax Act (or, in the case of a partnership, under subsection 85(2) of the Tax Act, provided all members of the partnership jointly elect) and the corresponding provisions of any applicable provincial tax legislation (collectively, the "**Tax Election**").

The Eligible Holder may select an Elected Amount so as to not realize a capital gain or to realize only a partial capital gain for the purposes of the Tax Act on the disposition. The "**Elected Amount**" means the amount selected by an Eligible Holder, subject to the limitations under the Tax Act, in a Tax Election to be treated as the Eligible Holder's proceeds of disposition of the BlackPearl Shares.

IPC has agreed to make a Tax Election with an Eligible Holder at the amount determined by such Eligible Holder subject to the limitations set out in subsection 85(1) or subsection 85(2) of the Tax Act (or any applicable provincial tax legislation).

To make a Tax Election, an Eligible Holder must provide two signed copies of the necessary joint election forms (the "**Joint Election Forms**") to IPC, within 90 days after the Effective Date, duly completed with the details of the number of BlackPearl Shares transferred, or deemed to be transferred, and the applicable agreed amounts for the purposes of such Tax Election. IPC shall, within 30 days after receiving the completed Joint Election Forms from an Eligible Holder, sign and return such Joint Election Forms to the Eligible Holder for filing with the Canada Revenue Agency (or the applicable provincial tax authority).

Neither BlackPearl, IPC, the Depositary, nor any successor corporation thereto shall be responsible for the proper completion of any Joint Election Form nor, except for the obligation to sign and return duly completed Joint Election Forms which are received within 90 days of the Effective Date, for any taxes, interest or penalties resulting from the failure of an Eligible Holder to properly complete or file such Joint

Election Forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial Law). Each Eligible Holder is solely responsible for ensuring the Tax Election is completed correctly and filed with the CRA (and any applicable provincial tax authority) by the required deadline.

In its sole discretion, IPC or any successor corporation may choose to sign and return a Joint Election Form received by it more than 90 days following the Effective Date, but will have no obligation to do so.

In order for the CRA to accept a Tax Election without a late filing penalty being paid by an Eligible Holder, the Tax Election form must be received by the CRA on or before the day that is the earliest of the days on or before which either IPC or the Eligible Holder (or any partner thereof where the Eligible Holder is a partnership) is required to file an income tax return for the taxation year in which the disposition occurs. IPC's 2018 taxation year is scheduled to end on December 31, 2018, although IPC's taxation year may end earlier as a result of an event such as an amalgamation. IPC's income tax return is required to be filed within six months of its taxation year end. Eligible Holders are urged to consult their own advisors as soon as possible respect the deadlines (including, where applicable, provincial deadlines) applicable to their own particular circumstances.

Eligible Holders who wish to make a Tax Election with IPC should give their immediate attention to this matter and are urged to consult their own tax advisors having regard to their own particular circumstances including with respect to the tax consequences to them of a Tax Election and deadlines, and where applicable, provincial deadlines. The comments herein with respect to the Tax Election are provided for general assistance only. The Law in this area is complex and contains numerous technical requirements.

Dissenting Resident Holders of BlackPearl Shares

A Resident Holder that validly exercises Dissent Rights will be deemed under the Arrangement to have transferred such Resident Holder's BlackPearl Shares to BlackPearl, and will be entitled to be paid the fair value of the Resident Holder's BlackPearl Shares. The Resident Holder will be deemed to have received a taxable dividend equal to the amount by which the amount received for the BlackPearl Shares (less an amount in respect of interest, if any, awarded by the Court) exceeds the paid-up capital for purposes of the Tax Act of such shares (as determined under the Tax Act).

Where a Dissenting BlackPearl Shareholder is an individual, any deemed dividend will be included in computing that Resident Holder's income and will be subject to the gross-up and dividend tax credit rules normally applicable to dividends received from taxable Canadian corporations. In the case of a Dissenting BlackPearl Shareholder that is a corporation, any deemed dividend will be included in income and generally will be deductible in computing taxable income. However, in some circumstances, the amount of any such deemed dividend realized by a corporation may be treated as proceeds of disposition and not as a dividend under subsection 55(2) of the Tax Act. Resident Holders that are corporations should consult their own tax advisors in this regard.

"Private corporations" and "subject corporations" (as defined in the Tax Act) may be liable for an additional refundable Part IV tax on any dividends received to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year.

A Resident Holder will also be considered to have disposed of BlackPearl Shares, for proceeds of disposition equal to the amount paid to such Resident Holder less an amount in respect of interest, if any, awarded by the Court and the amount of any deemed dividend. Resident Holders may realize a capital gain (or sustain a capital loss) to the extent that such proceeds exceed (or is exceeded by) the aggregate of the adjusted cost base of the BlackPearl Shares to the dissenting Resident Holder and any reasonable costs associated with the disposition. The taxation of capital gains and capital losses is discussed below under "*Taxation of Capital Gains and Capital Losses*".

Any interest awarded by the Court to a Dissenting BlackPearl Shareholder will be included in such Resident Holder's income for the purposes of the Tax Act.

Holding and Disposing of IPC Shares

Dividends Received on IPC Shares

A Resident Holder will be required to include in computing its income for a taxation year any dividends received (or deemed to be received) on the IPC Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividends designated by IPC as an eligible dividend in accordance with the provisions of the Tax Act. A dividend received (or deemed to be received) by a Resident Holder that is a corporation will generally be deductible in computing the corporation's taxable income. However, in some circumstances, the amount of dividend may be treated as proceeds of disposition potentially giving rise to a capital gain and not as a dividend under subsection 55(2) of the Tax Act. Resident Holders that are corporations should consult their own tax advisors having regard to their own particular circumstances.

A Resident Holder that is a "private corporation", as defined in the Tax Act, or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the IPC Shares, to the extent such dividends are deductible in computing the Resident Holder's taxable income for the taxation year.

A dividend received by a Resident Holder who is an individual (including certain trusts) may result in such Resident Holder being liable for minimum tax under the Tax Act. Resident Holders who are individuals should consult their own tax advisors having regard to their own particular circumstances.

Disposition of IPC Shares

Generally, on a disposition or deemed disposition of an IPC Share (except to IPC), a Resident Holder will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition exceed (or are exceeded by) the adjusted cost base to the Resident Holder of the IPC Share, held immediately before the disposition or deemed disposition, and any reasonable costs associated with the disposition. The adjusted cost base to the Resident Holder of an IPC Share will be determined by averaging the cost of such IPC Share with the adjusted cost base of all other IPC Shares held by the Resident Holder as capital property at that time. See "*Taxation of Capital Gains and Losses*" below for a general discussion of the treatment of capital gains and capital losses under the Tax Act.

Taxation of Capital Gains and Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in the year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of an IPC Share may be reduced by the amount of any dividends received (or deemed to be received) by the Resident Holder on such share to the extent and under the circumstances prescribed by the Tax Act.

Similar rules may apply where an IPC Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such Resident Holders should consult their own tax advisors having regard to their own particular circumstances.

A Resident Holder that is throughout the taxation year a "Canadian-controlled private corporation", as defined in the Tax Act, is liable for tax, a portion of which may be refundable, on investment income, including taxable capital gains realized and dividends received or deemed to be received (but not dividends or deemed dividends that are deductible in computing taxable income). A Resident Holder that is an individual who realizes a capital gain may be subject to minimum tax under the Tax Act. Such Resident Holders should consult their own tax advisors having regard to their own particular circumstances.

Eligibility for Investment

Provided that the IPC Shares are listed on a designated stock exchange (which currently includes the TSX) on the Effective Date, the IPC Shares received by BlackPearl Shareholders pursuant to the Arrangement will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans ("**RRSP**"), registered retirement income funds ("**RRIF**"), registered education savings plans ("**RESP**"), deferred profit sharing plans, registered disability savings plans ("**RDSP**") and tax-free savings accounts ("**TFSA**"). In the case of an RRSP, an RRIF, an RESP, an RDSP, or a TFSA, provided the annuitant of the RRSP or RRIF, the holder of the TFSA or RDSP, or the subscriber of the RESP, as the case may be, deals at arm's length with IPC and does not have a "significant interest" (within the meaning of the Tax Act) in IPC, the IPC Shares will generally not be a prohibited investment under the Tax Act for such RRSP, RRIF, RESP, RDSP or TFSA. In addition, the IPC Shares will generally not be a prohibited investment if such shares are "excluded property" as defined in the Tax Act for purposes of the prohibited investment rules.

Resident Holders who hold BlackPearl Shares or who will hold IPC Shares in an RRSP, RRIF, RESP, RDSP or TFSA should consult their own advisors having regard to their own particular circumstances.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act, is not, and is not deemed to be, resident in Canada and does not use or hold, and is not deemed to use or hold, the BlackPearl Shares or IPC Shares in, or in the course of, carrying on a business in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to certain holders that are insurers carrying on an insurance business in Canada and elsewhere.

Exchange of BlackPearl Shares under the Arrangement

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of BlackPearl Shares pursuant to the Arrangement unless, at the Effective Time, the BlackPearl Shares are "taxable Canadian property" (as defined in the Tax Act) to the Non-Resident Holder and are not "treaty-protected property" (as defined in the Tax Act) of the Non-Resident Holder. See discussion below under "*BlackPearl Shares – Taxable Canadian Property*".

A Non-Resident Holder whose BlackPearl Shares are "taxable Canadian property" and are not "treaty-protected property" will generally have the same tax considerations as those described above under "*Holders Resident in Canada – Exchange of BlackPearl Shares under the Arrangement – Exchange of Shares – No Tax Election*".

A Non-Resident Holder who is an Eligible Holder may make a Tax Election jointly with IPC to obtain a full or partial deferral for purposes of the Tax Act and will generally have the same tax considerations as

those described above under "*Holders Resident in Canada – Exchange of BlackPearl Shares under the Arrangement – Exchange of Shares – Tax Election*".

Dissenting Non-Resident Holders

A Non-Resident Holder that validly exercises Dissent Rights will be deemed under the Arrangement to have transferred such Non-Resident Holder's BlackPearl Shares to BlackPearl, and will be entitled to receive an amount equal to the fair value of the Non-Resident Holder's BlackPearl Shares. The Non-Resident Holder will be deemed to have received a taxable dividend equal to the amount by which the amount paid to the Non-Resident Holder for the BlackPearl Shares (less an amount in respect of interest, if any, awarded by the Court) exceeds the paid-up capital for purposes of the Tax Act of such shares. The amount of the dividend will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax treaty or convention between Canada and the Non-Resident Holder's country of residence.

A Non-Resident Holder of BlackPearl Shares will also be considered to have disposed of the BlackPearl Shares for proceeds of disposition equal to the amount paid to such Non-Resident Holder less an amount in respect of interest, if any, awarded by the Court and the amount of any deemed dividend, and will be subject to tax under the Tax Act on any gain realized if such shares constitute "taxable Canadian property" as described above under "*Exchange of BlackPearl Shares Under the Arrangement*", unless relief is provided under an income tax treaty or convention between Canada and the Non-Resident Holder's country of residence.

A Non-Resident Holder will generally not be subject to Canadian withholding tax on any amount of interest, if any, that is awarded by the Court.

BlackPearl Shares – Taxable Canadian Property

Generally, the BlackPearl Shares will not constitute "taxable Canadian property" to a Non-Resident Holder at a particular time provided that the BlackPearl Shares are listed at that time on a designated stock exchange (which includes the TSX), unless at any particular time during the 60-month period that ends at that time:

- (a) one or any combination of (i) the Non-Resident Holder, (ii) Persons with whom the Non-Resident Holder does not deal with at arm's length, and (iii) partnerships in which the Non-Resident Holder or a Person described in (ii) holds a membership interest directly or indirectly through one or more partnerships, has owned 25% or more of the issued shares of any class of the capital stock of BlackPearl; and
- (b) more than 50% of the fair market value of such BlackPearl Shares was derived directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada; (ii) "Canadian resource properties" (as defined in the Tax Act); (iii) "timber resource properties" (as defined in the Tax Act); and (iv) options in respect of, or interests in, or for civil Law rights in, property in any of the foregoing, whether or not the property exists.

Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, BlackPearl Shares could be deemed to be taxable Canadian property. Non-Resident Holders whose BlackPearl Shares as the case may be, may constitute taxable Canadian property should consult their own tax advisors having regard to their own particular circumstances.

Even if the BlackPearl Shares are taxable Canadian property to a Non-Resident Holder, a taxable capital gain resulting from the disposition of such shares will not be included in computing the Non-Resident Holder's income for the purposes of the Tax Act if the BlackPearl Shares constitute "treaty-protected property". BlackPearl Shares owned by a Non-Resident Holder will generally be treaty-protected property

if the gain from the disposition of such shares would, because of an applicable income tax treaty, be exempt from tax under the Tax Act.

A Non-Resident Holder who disposes of taxable Canadian property that is not treaty-protected property must file a Canadian income tax return for the year in which the disposition occurs, regardless of whether the Non-Resident Holder is liable for Canadian tax on any gain realized as a result.

Holding and Disposing of IPC Shares

Dividends Received on IPC Shares

Dividends paid or credited (or deemed to be paid or credited) on the IPC Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention. For example, under the Canada-U.S. Income Tax Convention (1980) (the "**Convention**"), where dividends on the IPC Shares are considered to be paid to or derived by a Non-Resident Holder that is the beneficial owner of the dividends and is a U.S. resident for the purposes of, and is entitled to benefits in accordance with, the provisions of the Convention, the applicable rate of Canadian withholding tax is generally reduced to 15%.

Disposition of IPC Shares

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of IPC Shares, unless the IPC Shares constitute "taxable Canadian property" to the Non-Resident Holder and do not constitute "treaty-protected property". For a description of "taxable Canadian property" see "*BlackPearl Shares – Taxable Canadian Property*" above, as the same tests will apply in respect of the IPC Shares.

Pursuant to the provisions of the Tax Act, where a BlackPearl Share constitutes "taxable Canadian property" to a Non-Resident Holder, any IPC Shares received by the Non-Resident Holder on the exchange of such BlackPearl Share for IPC Shares utilizing the rollover available under subsections 85(1), 85(2), or Section 85.1 of the Tax Act will be deemed to constitute "taxable Canadian property" to the Non-Resident Holder for a period of sixty (60) months. The result is that such Non-Resident Holder may be subject to tax under the Tax Act on future gains realized on a disposition of those IPC Shares so long as the IPC Shares constitute "taxable Canadian property" to the Non-Resident Holder.

Non-Resident Holders whose IPC Shares may constitute taxable Canadian property should consult their own tax advisors having regard to their own particular circumstances.

CERTAIN SWEDISH INCOME TAX CONSIDERATIONS

Below is a summary of certain Swedish tax consequences that may arise for individuals and limited liability companies (Sw. aktieföretag) in relation to (a) the proposed Arrangement involving IPC and BlackPearl and (b) the listing of the IPC Shares. The summary is based on current Laws and is intended only as general information for Persons who are subject to unlimited tax liability in Sweden, unless otherwise stated. The analysis is not exhaustive and does, for example, not cover IPC Shares held as current assets in business operations or by a partnership. Moreover, it does not cover situations where a Person holds IPC Shares that are considered to be held for business purposes (participation exemption) or in shell companies (Sw. skiljeföretag). Nor does it cover the special rules that may apply to holdings in companies that are or have been so-called closely-held companies or securities acquired on the basis of so-called qualified shares in closely-held companies. Furthermore, the summary does not cover IPC Shares held in an investments savings account (Sw. investeringssparkonto) or endowment insurance (Sw. kapitalförsäkring). Nor does it cover situations where IPC shares are held by investment companies, insurance companies or investment funds. Finally, the summary does not cover matters related to credit of foreign taxes. The tax treatment of individual Persons depends on their particular circumstances. It is

therefore recommended that individuals consult a tax advisor for information on the specific implications that may arise in the individual case, including the applicability and effect of foreign rules and tax treaties.

General

There are no specific tax rules for depositary receipts. As depositary receipts are a specific form of administration, the tax treatment follows the one that would apply to the underlying asset, in this case shares in BlackPearl and IPC.

BlackPearl Shareholders who have unlimited tax liability in Sweden

In this case, "unlimited tax liability" refers to holders of shares or other securities who are (a) a natural person who is resident or has habitual abode in Sweden or who has been resident in Sweden and has an essential connection with Sweden, or (b) any limited liability company registered in Sweden or whose board is seated in Sweden if registration has not taken place.

Taxation of the Arrangement (Sw. andelsbyte) for Persons with unlimited tax liability in Sweden

Two different sets of tax-rules that apply when natural persons and respective legal persons take part in a share exchange is summarized below. For these rules to apply, the following criteria (which are not exhaustive) must be met:

- (a) BlackPearl as well as IPC must be a "foreign company", which means that the companies must be foreign legal persons taxed at a rate of at least 12.1%. A foreign legal person is a foreign association which can (i) acquire rights and obligations, (ii) bring action in court and government bodies, and (iii) for which shareholders cannot freely dispose of its assets. BlackPearl and IPC should meet these requirements.
- (b) IPC must at the end of the calendar year of the Arrangement hold at least 50 percent of the voting capital in BlackPearl. If special circumstances led to IPC divesting the BlackPearl Shares after completion of the Arrangement, it is sufficient that IPC has had such holding at some point after the Arrangement under the aforementioned calendar year. Considering that IPC is contemplated to acquire all of the BlackPearl Shares under the Arrangement, this requirement should also be met.

Natural Persons who have limited tax liability in Sweden

If the BlackPearl Shareholder is resident or has habitual abode in the European Economic Area (the "EEA") and the criteria in paragraphs (a) and (b) above are fulfilled, no taxation is triggered by the Arrangement. Instead, the acquisition cost of the BlackPearl Shares is transferred to the IPC Shares (tax continuity (Sw. skattemässig kontinuitet)). The tax rules on the Arrangement for natural Persons are applied automatically in case the relevant criteria are fulfilled (i.e., the application of the rules is mandatory). If the BlackPearl Shareholder ceases to be resident or have habitual abode in the EEA in the future, the BlackPearl Shareholder will be taxed for the capital gain which arose at the time of the Arrangement.

Part of the remuneration can be paid in cash; however, in such case, the cash portion of the remuneration is subject to taxation the year of the Arrangement.

If the criteria are not fulfilled, the BlackPearl Shareholder is subject to immediate taxation on the capital gain which is calculated as the fair market value of the IPC Shares less the acquisition price for the BlackPearl Shares. The capital gain is taxed at a rate of 30% (listed shares). The rules on natural Persons are also applicable for estates.

Limited liability companies who have unlimited tax liability in Sweden

When the BlackPearl Shareholder participating in the Arrangement is a limited liability company, the BlackPearl Shareholder's capital gain is determined at the time of the Arrangement. The capital gain is calculated as the fair market value of the IPC Shares less the acquisition price for the BlackPearl Shares. The capital gain is normally subject to 22% corporate income tax. If the criteria in paragraphs (a) and (b) above are fulfilled, the BlackPearl Shareholder can apply for deferral with the capital gains taxation. In case of deferral, the capital gains taxation is due upon divestment of the IPC Shares.

The share exchange rules for limited liability companies are applied on a voluntary basis upon application of the taxable company. IPC will apply for general guidelines from the Swedish Tax Agency regarding the deemed sale price of the BlackPearl Shares (to be used for the capital gains calculation). Information from the Swedish Tax Agency's general guidelines will be published as soon as possible on IPC's and the Swedish Tax Agency's websites. Part of the remuneration can be paid in cash; however, in such case, the cash-portion of the remuneration is subject to taxation the year of the Arrangement.

Taxation on the divestment of IPC Shares

Natural persons who have unlimited tax liability in Sweden

Natural persons and estates who have unlimited tax liability in Sweden are taxed on the sale of IPC Shares for any profit as income from capital at a rate of 30%. The capital gain or capital loss is calculated as the difference between the sales proceeds less expenses relating to the disposal and the tax base value of the divested IPC Shares (acquisition cost). The tax base value comprises the acquisition price plus brokerage fees.

The average method is used when calculating the capital gains. According to this method, the tax base value of one IPC Share comprises the average tax base value of all shares of the same class and type. Upon the sale of listed shares, such as IPC Shares, the tax base value may alternatively be determined according to the standard method at a rate of 20% of the sales proceeds less expenses relating to the disposal.

A capital loss on listed shares and other listed securities may be fully offset against taxable capital gains the same year on shares and other listed securities, except for shares in investment funds that only contain Swedish receivables (fixed income funds). Capital losses on shares not absorbed by these set-off rules are deductible at 70% against other income from capital. To the extent a capital loss cannot be offset against capital gains, a tax reduction is allowed against municipal and state income tax, as well as property tax and municipal property tax. A tax reduction is allowed at a rate of 30% of the portion of the loss that is not greater than SEK 100,000 and 21% of the remaining portion. Any excess net loss cannot be carried forward to future tax years.

Limited liability companies who have unlimited tax liability in Sweden

For limited liability companies, taxable capital gains are taxed at the ordinary corporate income tax rate of 22% (the rate is expected to be reduced in two steps, in January 2019 (to 21.4%) and January 2021 (to 20.6%)). Capital gains and losses are calculated in essentially the same manner as described above with respect to natural persons. A deduction for capital losses on shares or other securities is allowed only against taxable capital gains on such securities. If certain conditions are fulfilled, such capital losses may also be offset against capital gains in companies within the same group. Capital losses that cannot be utilized in a given year may be carried forward and deducted against taxable capital gains on shares and other securities in subsequent years without limitation in time.

IPC Shareholders who have limited tax liability in Sweden

IPC Shareholders who have limited tax liability in Sweden and whose holdings are not attributable to a permanent establishment in Sweden are usually not taxed in Sweden for capital gains on the disposal of shares or subscription rights. However, IPC Shareholders may be subject to taxation in their country of residence. According to a special rule, however, natural persons with limited tax liability in Sweden may be subject to Swedish taxation upon the sale of certain foreign securities (such as shares) if at any time during the year of sale, or any of the ten previous calendar years, the shareholder has been resident or had habitual abode in Sweden. For this rule to apply, the foreign security must have been acquired at the time the shareholder was unlimited tax liable in Sweden. Applicability of this rule may be limited by the applicable tax treaty for the avoidance of double taxation.

Taxation of dividends on IPC Shares

Shareholders who have unlimited tax liability in Sweden

Dividends on shares are usually taxable. Natural persons and estates who have unlimited tax liability in Sweden are taxed for income from capital at a rate of 30%. For limited liability companies, dividends are taxed as income from business operations at a rate of 22% (see above regarding reduced tax rate).

The tax on dividends to natural persons and estates is withheld by Euroclear so that the total tax withheld (including foreign withholding tax) equals 30% of the gross dividend. Due to foreign withholding tax, the Swedish tax withheld by Euroclear will not amount to the full 30% that is due. The tax on dividends to limited liability companies is not withheld.

TIMING

If the IPC Shareholders' Meeting and the BlackPearl Securityholders' Meeting are held as scheduled and are not adjourned or postponed, BlackPearl expects to apply for the Final Order approving the Arrangement on December 13, 2018. If the Final Order is obtained on December 13, 2018, in form and substance satisfactory to each of IPC and BlackPearl, and all other conditions set forth in the Arrangement Agreement are satisfied or waived, IPC and BlackPearl expect the Effective Date to be on or about December 14, 2018. It is not possible, however, to state with certainty when the Effective Date will occur.

The Arrangement will become effective upon the filing with the Director of the Articles of Arrangement and a copy of the Final Order, together with such other materials as may be required by the Director.

The objective of IPC and BlackPearl is to have the Effective Date occur on or as soon as practicable after December 14, 2018. The Effective Date could, however, be delayed for a number of reasons.

Subject to certain exceptions, either Party may terminate the Arrangement Agreement if the Arrangement is not consummated by February 28, 2019.

INTERESTS OF DIRECTORS AND OFFICERS IN THE ARRANGEMENT

IPC

Except as disclosed in this Circular, the directors and executive officers of IPC have no material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in the Arrangement or the IPC Share Issuance Resolution that differs from the interests of the IPC Shareholders generally.

As of the date hereof, the directors and executive officers of IPC and their associates and affiliates, as a group, beneficially own, directly or indirectly, or exercise control or direction over less than 2% of the outstanding IPC Shares on a non-diluted basis.

In addition, the following table identifies, as of the date hereof, the number of BlackPearl Shares beneficially owned, directly or indirectly, or controlled or directed by certain directors and executive officers of IPC and their associates and affiliates.

Director or Officer of IPC	Number of BlackPearl Shares	Percentage of Outstanding BlackPearl Shares⁽¹⁾
Lukas H. Lundin	12,862,600	3.81%
C. Ashley Heppenstall	3,017,000	0.89%

(1) The percentage has been calculated based on the number of issued and outstanding BlackPearl Shares as of the date of this Circular.

The directors and executive officers of IPC have indicated their intention to vote their IPC Shares in favour of the IPC Share Issuance Resolution and, in connection therewith, have entered into the IPC Support Agreements with BlackPearl. See "*Effect of the Arrangement – IPC Support Agreements*" and "*Procedure for the Arrangement to Become Effective – Securityholder Approvals – IPC Shareholder Approval*".

BlackPearl

Except as disclosed in this Circular, the directors and executive officers of BlackPearl have no material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in the Arrangement or the BlackPearl Arrangement Resolution that differs from the interests of the BlackPearl Shareholders generally.

In addition, the following table identifies, as of the date hereof, the number of IPC Shares beneficially owned, directly or indirectly, or controlled or directed by certain directors and executive officers of BlackPearl and their associates and affiliates.

Director or Officer of BlackPearl	Number of IPC Shares	Percentage of Outstanding IPC Shares⁽¹⁾
John Craig	1,900	0.002%

(1) The percentage has been calculated based on the number of issued and outstanding IPC Shares as of the date of this Circular.

The directors and executive officers of BlackPearl have indicated their intention to vote their BlackPearl Shares in favour of the BlackPearl Arrangement Resolution and, in connection therewith, have entered into the BlackPearl Support Agreements with IPC. See "*Effect of the Arrangement – BlackPearl Support Agreements*".

INTERESTS OF EXPERTS

Certain legal matters relating to the Arrangement are to be passed upon by Blake, Cassels & Graydon LLP, Gernandt & Danielsson Advokatbyrå KB and Shearman & Sterling LLP on behalf of IPC and by Bennett Jones LLP on behalf of BlackPearl. As at the date hereof, the partners and associates of each of Blake, Cassels & Graydon LLP, Gernandt & Danielsson Advokatbyrå KB, Shearman & Sterling LLP and Bennett Jones LLP, respectively, beneficially own, directly or indirectly, less than 1% of the outstanding IPC Shares and less than 1% of the outstanding BlackPearl Shares.

The IPC Annual Financial Statements have been incorporated by reference in this Circular. PricewaterhouseCoopers AG, the auditors of IPC, has confirmed that it is independent with respect to IPC in accordance with the relevant rules and related interpretation prescribed by the Code of Professional Conduct of the Chartered Professional Accountants of Alberta. The IPC BAR has been incorporated by reference in this Circular. PricewaterhouseCoopers LLP, the auditors of the operating

statements contained therein, has confirmed that it is independent with respect to IPC in accordance with the relevant rules and related interpretation prescribed by the Code of Professional Conduct of the Chartered Professional Accountants of Alberta.

The BlackPearl Annual Financial Statements have been incorporated by reference in this Circular. PricewaterhouseCoopers LLP, the auditors of BlackPearl, has confirmed that it is independent with respect to BlackPearl in accordance within the relevant rules and related interpretation prescribed by the Code of Professional Conduct of the Chartered Professional Accountants of Alberta.

RISK FACTORS

IPC Shareholders voting in favour of the IPC Share Issuance Resolution and BlackPearl Securityholders voting in favour of the BlackPearl Arrangement Resolution will be approving the acquisition by IPC of BlackPearl and, in the case of BlackPearl Securityholders, to invest in IPC Shares. The Arrangement and investment in IPC Shares involves risks. In addition to the risk factors present in each of IPC's and BlackPearl's respective businesses, as described under the heading "*Risk Factors*" in the IPC AIF and "*Risk Factors*" in the BlackPearl AIF, which are incorporated by reference herein, BlackPearl Securityholders and IPC Shareholders should carefully consider the following risk factors in evaluating whether to approve the BlackPearl Arrangement Resolution and the IPC Share Issuance Resolution, as applicable. Readers are cautioned that such risk factors are not exhaustive. These risk factors should be considered in conjunction with the other information included in this Circular, including the documents incorporated by reference herein and documents filed by IPC and BlackPearl pursuant to applicable Laws from time to time. The following are risks relate specifically to the Arrangement.

Possible failure to realize anticipated benefits of the Arrangement

The Arrangement is subject to normal commercial risks that such transaction may not be completed on the terms negotiated or at all. IPC and BlackPearl are proposing to complete the Arrangement to create the opportunity to realize certain benefits described under "*The Arrangement – Attributes of the Arrangement*". Achieving the benefits of the Arrangement depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the ability of IPC, after giving effect to the Arrangement, to realize the anticipated growth opportunities and synergies from combining the business of BlackPearl with that of IPC.

The integration of the BlackPearl business requires the dedication of substantial effort on behalf of IPC's management, time and resources, which may divert IPC's management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect IPC's ability to achieve the anticipated benefits of the Arrangement.

The Arrangement is subject to satisfaction of waiver of certain conditions

The completion of the Arrangement is subject to a number of conditions, certain of which are outside the control of IPC and BlackPearl, including, among other things, the approval of the Court, the approval of the BlackPearl Arrangement Resolution and the IPC Share Issuance Resolution, the receipt of all Regulatory Approvals and the receipt of the Lenders' Approvals (subject to certain exemptions). See "*Effect of the Arrangement – The Arrangement Agreement*". There is no certainty, nor can IPC and/or BlackPearl provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. If, for any reason, the Arrangement is not completed, the market price of the IPC Shares and the BlackPearl Shares may be adversely affected. Further, if the Arrangement Agreement is terminated, there is no assurance that the IPC Board and/or BlackPearl Board will be able to find another similar transaction in which to enter.

The Arrangement Agreement may be terminated

Each of IPC and BlackPearl has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can either of IPC or BlackPearl provide any assurance, that the Arrangement will not be terminated by either IPC or BlackPearl before the completion of the Arrangement. For instance, either IPC or BlackPearl has the right, in certain circumstances, to terminate the Arrangement Agreement if changes occur that have a Material Adverse Effect on the other Party. There is no assurance that a Material Adverse Effect will not occur before the Effective Date, in which case IPC or BlackPearl could elect to terminate the Arrangement Agreement and the Arrangement would not proceed.

In addition, certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by BlackPearl or IPC even if the Arrangement is not completed. If the Arrangement is not completed, neither BlackPearl Securityholders nor IPC Shareholders will realize the potential benefits of the Arrangement.

Under the Arrangement Agreement, BlackPearl is required to pay IPC the Termination Fee in certain circumstances. The Termination Fee may discourage other parties from attempting to enter into a business transaction with BlackPearl, even if those parties would otherwise be willing to enter into an agreement with BlackPearl for a business combination. See "*Effect of the Arrangement – The Arrangement Agreement – Termination Fee Payable by BlackPearl*".

Dilutive effect

The issuance of IPC Shares pursuant to the Arrangement, if completed, will have an immediate dilutive effect on the current IPC Shareholders' ownership interest in IPC.

The unaudited *pro forma* financial information of IPC is presented for illustrative purposes only and may not be an indication of IPC's results of operations or financial condition following the completion of the Arrangement

The unaudited *pro forma* financial information of IPC contained in this Circular is presented for illustrative purposes only and should not be considered to be an indication of IPC's results of operations or financial condition following the completion of the acquisition of the Suffield area oil and gas assets in Alberta, Canada from Cenovus Energy Inc. and the Arrangement. The unaudited *pro forma* financial information has been derived from the historical financial statements of IPC and BlackPearl and the operating statements of the Suffield area oil and gas assets and certain adjustments, assumptions and preliminary estimates have been made in connection with the preparation of this information. These adjustments, assumptions and estimates are preliminary and based on information available at the time of the preparation of the *pro forma* financial information, and such adjustments, assumptions and estimates are difficult to make with accuracy. Further, the unaudited *pro forma* financial information does not include, among other things, estimated cost or synergies, adjustments related to restructuring or integration activities or future acquisitions or disposals not yet known or probable. As a result, the actual results of operations and financial condition of IPC following the completion of the Arrangement may not be consistent with the unaudited *pro forma* financial information included in this Circular, and such differences may be material. The assumptions used in preparing the unaudited *pro forma* financial information may not prove to be accurate, and other factors may materially affect IPC's results of operations or financial condition following the Arrangement. See Appendix J.

Income Tax Laws

There can be no assurance that the CRA or other applicable taxing authorities will agree with the Canadian and Swedish income tax consequences of the Arrangement, as applicable, as set forth in this Circular. Furthermore, there can be no assurance that applicable Canadian and Swedish income tax Laws will not be changed or interpreted in a manner, or that the applicable taxing authorities will not take

administrative positions, that are adverse to IPC and the IPC Shareholders following completion of the Arrangement. Such taxing authorities may also disagree with how IPC or its predecessors, including BlackPearl, calculate or have in the past calculated their income for income tax purposes. Any such events could adversely affect IPC or the price of the IPC Shares following completion of the Arrangement.

Market price of the BlackPearl Shares

If, for any reason, the Arrangement is not completed or its completion is materially delayed and/or the Arrangement Agreement is terminated, the market price of the BlackPearl Shares and/or the IPC Shares may be materially adversely affected.

Entry into new oil and gas plays

Completion of the Arrangement will result in a combination of the business activities currently carried on by each of IPC and BlackPearl as separate entities. The combination of these activities into a combined entity may expose IPC Shareholders and former BlackPearl Securityholders to different business risks than those to which they were exposed prior to the Arrangement. Following completion of the Arrangement, IPC will face the same risks currently facing each of BlackPearl and IPC, in addition to other risks.

While the Arrangement is pending, BlackPearl and IPC are restricted from taking certain actions

The Arrangement Agreement restricts BlackPearl and IPC from taking specified actions, outside of the usual and ordinary course, until the Arrangement is completed, without the consent of the other Party. These restrictions may prevent BlackPearl and/or IPC from pursuing attractive business opportunities that may arise prior to completion of the Arrangement.

The Exchange Ratio is fixed and will not be adjusted in the event of any change in the price of the BlackPearl Shares or the IPC Shares

Upon closing of the Arrangement, each BlackPearl Shareholder (other than a Dissenting BlackPearl Shareholder) will be entitled to receive 0.22 of an IPC Share for each BlackPearl Share. The Exchange Ratio is fixed in the Plan of Arrangement and will not be adjusted for changes in the market price of either the BlackPearl Shares or the IPC Shares. Changes in the price of the IPC Shares prior to the consummation of the Arrangement will affect the market value that BlackPearl Shareholders will be entitled to receive upon closing. Neither IPC nor BlackPearl are permitted to terminate the Arrangement Agreement or re-solicit the vote of the IPC Shareholders or BlackPearl Securityholders, respectively, because of changes in the market price of the IPC Shares or BlackPearl Shares, as the case may be. Share price changes may result from a variety of factors (many of which are beyond IPC's or BlackPearl's control), including the risk factors identified in the IPC AIF, the BlackPearl AIF and this Circular.

BlackPearl Dissent Rights

Registered BlackPearl Shareholders have the right to exercise certain dissent and appraisal rights and demand payment of the fair value of their BlackPearl Shares in cash in connection with the Arrangement in accordance with the Interim Order. If there are a significant number of Dissenting BlackPearl Shareholders, a substantial cash payment may be required to be made to such BlackPearl Shareholders, which payment could have an adverse effect on IPC's financial condition and cash resources. It is a condition to completion of the Arrangement that holders of not more than 5% of the outstanding BlackPearl Shares shall have validly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date.

Potential undisclosed liabilities associated with the Arrangement

In connection with the Arrangement, there may be liabilities that IPC or BlackPearl failed to discover or was unable to quantify in its respective due diligence, which was conducted prior to the execution of the Arrangement Agreement, and IPC or BlackPearl may not be indemnified for some or all of those liabilities.

INFORMATION CONCERNING INTERNATIONAL PETROLEUM CORPORATION

The main business of IPC is exploring for, developing and producing oil and gas. IPC holds a portfolio of oil and gas production assets and development projects in Canada, Malaysia, France and the Netherlands with exposure to growth opportunities. Since listing the IPC Shares in April 2017 in Canada and Sweden, IPC has been focused on delivering operational excellence, demonstrating financial resilience, maximizing the value of IPC's resource base and targeting growth through acquisition. See Appendix H.

INFORMATION CONCERNING BLACKPEARL RESOURCES INC.

BlackPearl is engaged in the exploration for, and the acquisition, development and production of, heavy crude oil, bitumen and natural gas. BlackPearl's properties are located in Canada and the United States. The majority of BlackPearl's current production is from conventional, steam assisted gravity drainage and enhanced oil recovery heavy crude oil projects, not including oil sand mining. See Appendix I.

INFORMATION CONCERNING IPC FOLLOWING COMPLETION OF THE ARRANGEMENT

IPC Following Completion of the Arrangement

Following completion of the Arrangement, IPC will continue to explore for, develop and produce oil and gas. IPC will hold a portfolio of oil and gas production assets and development projects in Canada, Malaysia, France and the Netherlands with exposure to growth opportunities. IPC will continue to focus on delivering operational excellence, demonstrate financial resilience, maximize the value of IPC's resource base and target growth through acquisition.

Directors and Officers of IPC Following Completion of the Arrangement

Directors

Upon completion of the Arrangement, the IPC Board will consist of eight members, comprised of all seven of the current members of the IPC Board (Lukas H. Lundin, Mike Nicholson, C. Ashley Heppenstall, Donald Charter, Chris Bruijnzeels, Torstein Sanness and Daniella Dimitrov) with the addition of John Festival, currently a director and the President and Chief Executive Officer of BlackPearl, who will be appointed concurrently with the completion of the Arrangement to serve until the next annual meeting of IPC Shareholders or until his successor is duly appointed.

Officers

Upon completion of the Arrangement, IPC will continue to be led by its current executive team of Mike Nicholson, as the Chief Executive Officer, Christophe Nerguararian, as the Chief Financial Officer, Jeffrey Fountain, as the General Counsel and Corporate Secretary, Rebecca Gordon, as the Vice-President Corporate Planning and Investor Relations, Daniel Fitzgerald, as the Vice-President Operations, and Ryan Adair, as Vice-President Reservoir Development. In addition, concurrently with completion of the Arrangement, IPC will appoint Ed Sobel, the Vice President, Exploration of BlackPearl, as the Vice-President, Exploration of IPC and Chris Hogue, the Vice President, Operations of BlackPearl, as the Senior Vice-President, Canada of IPC.

Pro Forma Information of IPC After Giving Effect to the Arrangement

General

The Arrangement will constitute a "significant acquisition" for IPC under Part 8 of NI 51-102.

Selected Pro Forma Financial Information

The following table sets out certain unaudited *pro forma* financial information for IPC after giving effect to the acquisition of the Suffield area oil and gas assets in Alberta, Canada from Cenovus Energy Inc. and the Arrangement for the year ended December 31, 2017 and as at and for the nine months ended September 30, 2018.

The following table should be read in conjunction with the unaudited *pro forma* consolidated financial statements of IPC for the year ended December 31, 2017 and the nine months ended September 30, 2018, including the notes thereto, attached as Appendix J to this Circular. Reference should also be made to: (a) the IPC Annual Financial Statements; (b) the BlackPearl Annual Financial Statements; (c) the IPC Interim Financial Statements; (d) the BlackPearl Interim Financial Statements; (e) the IPC BAR, each of which are incorporated by reference herein and which can be found under IPC's and BlackPearl's respective profiles on SEDAR at www.sedar.com.

(US \$000s)	IPC	Suffield Assets ⁽¹⁾	BlackPearl	Pro Forma Adjustments	Pro Forma IPC
For the year ended December 31, 2017 (unaudited)					
Sales of oil and gas	185,182	185,659	116,535	-	487,376
Royalties and direct production taxes	(3,999)	(7,295)	(16,275)	-	(27,569)
Cost of operations	(53,389)	(54,984)	(40,680)	-	149,053
Tariff and transportation expense	(3,361)	(36,202)	(6,668)	24,172	(22,059)
General administrative and depreciation expense	(10,400)	-	(6,438)	(3,395)	(20,233)
Net result	22,723	-	13,218	(70,250)	54,591
As at and for the nine months ended September 30, 2018 (unaudited)					
Sales of oil and gas	333,672	-	110,440	-	444,112
Royalties and direct production taxes	(11,943)	-	(13,424)	-	(25,367)
Cost of operations	(95,089)	-	(35,003)	-	(130,092)
Tariff and transportation expense	(12,397)	-	(6,504)	-	(18,901)
General administrative and depreciation expense	(9,912)	-	(5,248)	(3,272)	(18,432)
Net result	74,298	-	(11,578)	794	63,514
Total assets	919,132	-	705,373	(165,630)	1,458,875
Total liabilities	542,679	-	220,291	(23,836)	739,134
Net shareholders' equity	376,453	-	485,082	(141,794)	719,741

Notes:

- (1) On January 5, 2018, IPC completed the acquisition of the Suffield area oil and gas assets in Alberta, Canada from Cenovus Energy Inc.

Pro Forma Consolidated Capitalization of IPC

The following table sets forth the cash and cash equivalents and consolidated capitalization of IPC as at September 30, 2018, both before and after giving effect to the Arrangement. There have been no material changes to the consolidated capitalization of IPC since September 30, 2018.

(US \$000s)	IPC before giving effect to the Arrangement	BlackPearl before giving effect to the Arrangement	IPC after giving effect to the Arrangement ⁽¹⁾
Cash and cash equivalents	8,135	3,044	11,179
Long-term debt			
IPC Credit Facilities ⁽²⁾	221,352	-	221,352
BlackPearl Credit Facility ⁽³⁾	-	38,423	38,423 ⁽⁴⁾
BlackPearl Notes ⁽⁵⁾	-	57,634	57,634
Total long-term debt	221,352	96,057	317,409
Net shareholders' equity	376,453	485,082	861,535 ⁽⁶⁾
Total capitalization	605,940	584,183	1,190,123

Notes:

- (1) Assumes 75,600,777 IPC Shares are issued in connection with the Arrangement and assumes all in-the-money BlackPearl Options and BlackPearl RSUs are exercised or settled, as applicable, in accordance with the Plan of Arrangement.
- (2) For further information regarding the IPC Credit Facilities, see "*Financial Position and Liquidity - Financing*" in the IPC Interim MD&A.
- (3) For further information regarding the BlackPearl Credit Facility, see "*Long-Term Debt – Senior Credit Facilities*" in the BlackPearl Interim MD&A.
- (4) The fair value of the BlackPearl Credit Facility has been adjusted for the capitalized borrowing costs of US\$1,106 thousand to recognize the full outstanding liability under the BlackPearl Credit Facility.
- (5) For further information regarding the BlackPearl Notes, see "*Long-Term Debt – Senior Secured Second Lien Notes*" in the BlackPearl Interim MD&A.
- (6) The total shareholders' equity has been adjusted by US\$141,794 thousand to recognize the fair value of the Arrangement.

Selected Pro Forma Operational Information

The following table sets out: (a) certain operational information for IPC and BlackPearl before giving effect to the Arrangement; and (b) certain *pro forma* operational information for IPC after giving effect to the Arrangement for the periods indicated.

The following table should be read in conjunction with IPC Reserves Reports and the BlackPearl Reserves Reports in the IPC AIF and BlackPearl AIF, respectively, which are incorporated by reference herein and which can be found under IPC's and BlackPearl's respective profiles on SEDAR at www.sedar.com.

	IPC before giving effect to the Arrangement	BlackPearl before giving effect to the Arrangement	IPC after giving effect to the Arrangement ⁽¹⁾
Average Daily Production (for the three months ended September 30, 2018)			
Crude oil (Mbbbl/d)	15.9	13.8	29.7
Natural gas (Mboe/d)	19.3	0.1	19.4
Total oil equivalent (Mboe/d)	35.2	13.9	49.1
Average Daily Production (for the nine months ended September 30, 2018)			
Crude oil (Mbbbl/d)	16.3	11.6	27.9
Natural gas (Mboe/d)	18.1	0.1	18.2
Total oil equivalent (Mboe/d)	34.4	11.7	46.1
Total Proved Reserves (as at December 31, 2017) ⁽²⁾⁽³⁾			
Light & medium crude oil (MMbbl)	12.8	-	12.8
Heavy crude oil (MMbbl)	18.9	94.4	113.3

Conventional natural gas (Bcf)	363.7	-	363.7
Natural gas liquids (MMbbl)	-	-	-
Total oil equivalent (MMboe)	92.3	94.4	186.7
Total Proved Plus Probable Reserves			
(as at December 31, 2017) ⁽²⁾⁽³⁾			
Light & medium crude oil (MMbbl)	26.7	-	26.7
Heavy crude oil (MMbbl)	27.3	162.4	189.7
Conventional natural gas (Bcf)	450.0	-	450.0
Natural gas liquids (MMbbl)	0.1	-	0.1
Total oil equivalent (MMboe)	129.1	162.4	291.5

Notes:

- (1) The figures in this column were calculated without adjustment by adding the IPC figures in the first column with the BlackPearl figures in the second column.
- (2) Reserves presented for IPC are derived from the IPC Reserves Reports. The volumes are reported and aggregated by IPC as being as at December 31, 2017, notwithstanding that the acquisition of the Suffield area oil and gas assets in Alberta, Canada from Cenovus Energy Inc. was not completed until January 5, 2018. Reserves presented for BlackPearl are derived from the BlackPearl Reserves Reports. Refer to the IPC AIF and the BlackPearl AIF for further information regarding the reserves, contingent resources and other oil and gas information of IPC and BlackPearl, respectively. See "Information Concerning IPC" and "Information Concerning BlackPearl".
- (3) Reserves are gross reserves as defined in NI 51-101 utilizing forecast price and costs assumptions. With respect to the *pro forma* reserves information presented in the table above, neither IPC nor BlackPearl constructed a consolidated reserves report of the combined assets of IPC and BlackPearl, nor did they did engage an independent reserves evaluator to produce such a report. Therefore, the actual reserves of IPC and BlackPearl on a combined basis after giving effect to the Arrangement, evaluated as of December 31, 2017, may differ from the reserves presented in the *pro forma* table above.

MATTERS TO BE CONSIDERED AT THE IPC SHAREHOLDERS' MEETING

IPC Shareholders will be entitled to vote on the IPC Share Issuance Resolution at the IPC Shareholders' Meeting. Each IPC Shareholder of record on the IPC Record Date is entitled to vote at the IPC Shareholders' Meeting or any adjournment(s) or postponement(s) thereof and is entitled to one vote for each IPC Share held. Pursuant to Section 611(b) of the TSX Company Manual, the votes cast by those IPC Shareholders who are insiders of IPC and who, together with their associates and affiliates, will receive IPC Shares under the Arrangement will be excluded for the purpose of determining approval of the IPC Share Issuance Resolution. See "Procedure for the Arrangement to Become Effective – Securityholder Approvals – IPC Shareholder Approval" and "General Proxy Matters – IPC".

Approval of the IPC Share Issuance Resolution

The Arrangement, if completed, will result in the acquisition of all of the issued and outstanding BlackPearl Shares by IPC on the basis of 0.22 of an IPC Share for each BlackPearl Share held. Based on the 337,263,507 BlackPearl Shares issued and outstanding as of November 9, 2018, the Arrangement would result in an aggregate of 74,197,972 IPC Shares being issued pursuant to the Arrangement with respect to such BlackPearl Shares, subject to additional IPC Shares issued in connection with the rounding of fractional IPC Share entitlements, as provided in the Plan of Arrangement. In addition, there were also an aggregate of 25,151,663 BlackPearl Options outstanding as of November 9, 2018, which may be exercised into an aggregate of 25,151,663 BlackPearl Shares (equivalent to 5,533,366 IPC Shares based on the Exchange Ratio under the Arrangement), and an aggregate of 2,828,328 BlackPearl RSUs outstanding as of November 9, 2018 which may be settled for an aggregate of 2,828,328 BlackPearl Shares (equivalent to 622,232 IPC Shares based on the Exchange Ratio under the Arrangement). Based on the foregoing, the number of IPC Shares potentially issuable pursuant to the Arrangement upon the exchange of BlackPearl Shares and upon the potential exercise of BlackPearl Options and settlement of the BlackPearl RSUs, respectively, is 80,353,570. In order to ensure an adequate number of IPC Shares are approved for issuance pursuant to the Arrangement to account for clerical and administrative matters, including the rounding of fractional IPC Share entitlements, approval will also be sought to issue up to 803,536 IPC Shares. Notwithstanding the foregoing, based on the

Exchange Ratio, it is expected that IPC will, subject to any further issuance of BlackPearl Shares, BlackPearl Options or BlackPearl RSUs, issue approximately 75.6 million IPC Shares, representing approximately 85.99% of the currently issued and outstanding IPC Shares, in connection with the Arrangement.

Accordingly, IPC Shareholders will be asked to consider and, if deemed advisable, approve the issuance of up to 81,157,106 IPC Shares in connection with the Arrangement, consisting of: (a) up to 74,197,972 IPC Shares to be issued based on the number of BlackPearl Shares issued and outstanding as of November 9, 2018; (b) up to 6,155,598 IPC Shares that may be issued upon the exercise of BlackPearl Options and settlement of the BlackPearl RSUs (including any IPC Shares issued in exchange for BlackPearl Shares issued upon the exercise of BlackPearl Options and settlement of BlackPearl RSUs from the date hereof to the Effective Time); and (c) up to an additional 803,536 IPC Shares to account for clerical and administrative matters, including the rounding of fractional IPC Share entitlements pursuant to the Plan of Arrangement.

The TSX requires shareholder approval in circumstances where an issuance of securities will result in the issuance of 25% or more of the issuer's outstanding securities on a non-diluted basis in connection with an acquisition. As the Arrangement may result in the issuance of a number of IPC Shares equal to approximately 92.30% of the 87,921,846 currently issued and outstanding IPC Shares on a non-diluted basis, the IPC Share Issuance Resolution must be approved by a majority of the votes cast by IPC Shareholders who vote in person or by proxy at the IPC Shareholders' Meeting after excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual. Notwithstanding the foregoing, based on the Exchange Ratio, IPC expects to issue approximately 75.6 million IPC Shares pursuant to the Arrangement, representing approximately 85.99% of the number of IPC Shares issued and outstanding (on a non-diluted basis) as of the date hereof. The Arrangement is not expected to materially affect control of IPC. The Arrangement is not expected to materially affect control of IPC. The TSX will generally not require further shareholder approval for the issuance of up to an additional 20,289,277 IPC Shares, such number being 25% of the number of IPC Shares approved by IPC Shareholders for the Arrangement. IPC does not currently expect to issue any additional IPC Shares pursuant to the foregoing.

The TSX also requires shareholder approval in circumstances where the number of securities issued or issuable to insiders as a group, together with any securities issued or made issuable to insiders as a group for acquisitions during the preceding six months, in payment of the purchase price for an acquisition exceeds 10% of the number of securities of the listed issuer (on a non-diluted basis), prior to the date of closing of the transaction. In such cases, insiders receiving securities pursuant to the transaction are not eligible to vote their securities in respect of such approval. As the number of IPC Shares issuable as consideration under the Arrangement to insiders of IPC, as a group, is expected to be equal to approximately 14.04% of the number of IPC Shares outstanding (on a non-diluted basis) as of the date hereof, the IPC Share Issuance Resolution must be approved by the IPC Shareholders, excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual. It is expected that the votes in respect of an aggregate of 28,789,050 IPC Shares, representing approximately 32.74% of the outstanding IPC Shares, will be excluded pursuant to Section 611(b) of the TSX Company Manual for the purpose of determining approval of the IPC Share Issuance Resolution.

At the IPC Shareholders' Meeting, IPC Shareholders will be asked to vote to approve the IPC Share Issuance Resolution in the form set forth in Appendix A attached hereto. The IPC Share Issuance Resolution must be approved by a majority of the votes cast by the IPC Shareholders present in person or represented by proxy at the IPC Shareholders' Meeting after excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual.

Unless otherwise directed, the Persons named in the form of proxy for the IPC Shareholders' Meeting intend to vote in favour of the IPC Share Issuance Resolution.

It is a condition to the completion of the Arrangement that the IPC Share Issuance Resolution be approved by the IPC Shareholders at the IPC Shareholders' Meeting.

MATTERS TO BE CONSIDERED AT THE BLACKPEARL SECURITYHOLDERS' MEETING

BlackPearl Securityholders will be entitled to vote on the BlackPearl Arrangement Resolution at the BlackPearl Securityholders' Meeting. Each BlackPearl Securityholder of record on the BlackPearl Record Date (subject to certain exceptions) is entitled to vote at the BlackPearl Securityholders' Meeting or any adjournment(s) or postponement(s) thereof and is entitled to one vote for each BlackPearl Share or BlackPearl Option held. See "*General Proxy Matters – BlackPearl*".

Approval of the BlackPearl Arrangement Resolution

At the BlackPearl Securityholders' Meeting, BlackPearl Securityholders will be asked to vote to approve the BlackPearl Arrangement Resolution in the form set forth in Appendix B. The BlackPearl Arrangement Resolution must be approved by:

- (a) not less than two-thirds (66⅔%) of the votes cast by BlackPearl Securityholders, voting together as a single class, present in person or represented by proxy at the BlackPearl Securityholders' Meeting; and
- (b) not less than a simple majority of the votes cast by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by those persons whose votes are required to be excluded under MI 61-101.

In addition, pursuant to and in accordance with the policies of the TSX, the BlackPearl Arrangement Resolution must be approved by a majority of the votes cast by the BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting.

The BlackPearl Arrangement Resolution must receive such BlackPearl Securityholder approval in order for BlackPearl to seek the Final Order and complete the Arrangement on the Effective Date in accordance with the Final Order and the Arrangement Agreement.

Notwithstanding the foregoing, the BlackPearl Arrangement Resolution proposed for consideration by the BlackPearl Securityholders authorizes the BlackPearl Board, without further notice to or approval of the BlackPearl Securityholders: (a) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement and the Plan of Arrangement, as applicable; and (b) subject to the terms of the Arrangement Agreement, to disregard the approval of the BlackPearl Arrangement Resolution by the BlackPearl Securityholders and not proceed with the Arrangement at any time prior to the Effective Time. See Appendix B to this Circular for the full text of the BlackPearl Arrangement Resolution.

Unless otherwise directed, the persons named in the form of proxy for the BlackPearl Securityholders' Meeting intend to vote in favour of the BlackPearl Arrangement Resolution. It is a condition to the completion of the Arrangement that the BlackPearl Arrangement Resolution be approved by the BlackPearl Securityholders at the BlackPearl Securityholders' Meeting

GENERAL PROXY MATTERS – IPC

Solicitation of Proxies

This Circular is provided in connection with the solicitation of proxies by and on behalf of the management of IPC for use at the IPC Shareholders' Meeting and the associated costs thereof will be borne by IPC. In addition to solicitation by mail, proxies may be solicited by personal interviews,

telephone or other means of communication and by directors, officers and employees of IPC (who will not be specifically remunerated therefor).

The IPC Shareholders' Meeting is being called to seek the requisite approval of IPC Shareholders of the IPC Share Issuance Resolution. See "*The Arrangement*" and "*Matters to be Considered at the IPC Shareholders' Meeting*".

The information set forth below generally applies to registered holders of IPC Shares (i.e., those IPC Shareholders holding a physical share certificate or DRS Advice registered in their name and representing their IPC Shares). If you are a Beneficial Holder of IPC Shares (i.e., those IPC Shareholders whose IPC Shares are held through an Intermediary), see "*Information for Beneficial Holders*".

Appointment and Revocation of Proxies

Accompanying this Circular is a form of proxy for IPC Shareholders. The Persons named in the enclosed form of proxy are directors and/or officers of IPC. **An IPC Shareholder has the right to appoint a Person (who need not be an IPC Shareholder) other than the Persons designated in the accompanying form of proxy provided by IPC to represent the IPC Shareholder at the IPC Shareholders' Meeting. To exercise this right, the IPC Shareholder should strike out the names of the management designees in the enclosed form of proxy and insert the name of the desired representative in the blank space provided in the form of proxy or submit another appropriate form of proxy.** If you are a registered IPC Shareholder and are unable to attend the IPC Shareholders' Meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada, IPC's transfer agent. To be valid, completed proxy forms must be dated, completed, signed and deposited with Computershare Trust Company of Canada: (a) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5; (b) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or (c) by facsimile to (416) 263-9524 or 1-866-249-7775. IPC Shareholders may also vote through the internet at www.investorvote.com and may appoint another Person to be his or her proxyholder (which will require the 15-digit control number found on the proxy form). All proxy or voting instructions must be received in each case no later than 10:00 a.m. (Calgary time) on December 5, 2018. The proxy shall be in writing and executed by the IPC Shareholder or such IPC Shareholder's attorney authorized in writing, or if such IPC Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney. The Chair of the IPC Shareholders' Meeting shall have the discretion to accept all, but not less than all, valid proxies received after the foregoing deadline and prior to the IPC Shareholders' Meeting.

In addition to revocation in any other manner permitted by law, an IPC Shareholder may revoke a proxy: (a) by instrument in writing executed by the IPC Shareholder or such IPC Shareholder's attorney authorized in writing or if the IPC Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited either with the Depositary, acting as scrutineers, at the office of the Depositary designated in the Notice of Meeting to IPC Shareholder and the Circular not later than 10:00 a.m. (Calgary time) on the Business Day preceding the date of the IPC Shareholders' Meeting (or any adjournment thereof) or with the Chair on the day of the IPC Shareholders' Meeting (or any adjournment thereof); (b) by a duly executed and deposited proxy bearing a later date or time than the date or time of the proxy being revoked; or (c) as permitted by law.

Proxy Voting

The IPC Shares represented by an effective proxy will be voted in accordance with the instructions specified therein. Where no choice is specified, the IPC Shares will be voted in favour of the IPC Share Issuance Resolution. The enclosed form of proxy confers discretionary authority upon the Persons named therein in respect of amendments or variations to matters identified in the Notice of Special Meeting to IPC Shareholders' Meeting and with respect to other matters which may properly come before the IPC Shareholders' Meeting or any adjournment or postponement thereof. As of the date hereof, management

of IPC knows of no amendments, variations or other matters to come before the IPC Shareholders' Meeting; however, if any other matter properly comes before the IPC Shareholders' Meeting, the accompanying form of proxy will be voted on such matter in accordance with the best judgment of the Person(s) voting the proxies.

Voting Securities of IPC and Principal Holders Thereof

As at November 9, 2018, there are 87,921,846 IPC Shares issued and outstanding. Each IPC Share that is outstanding at the IPC Record Date will be entitled to one vote in respect of the IPC Share Issuance Resolution. Pursuant to Section 611(b) of the TSX Company Manual, the votes cast by those IPC Shareholders who are insiders of IPC and who, together with their associates and affiliates, will receive IPC Shares under the Arrangement will be excluded for the purpose of determining approval of the IPC Share Issuance Resolution. See "*Procedure for the Arrangement to Become Effective – Securityholder Approvals – IPC Shareholder Approval*".

To the knowledge of the directors and executive officers of IPC, as of the date hereof, no Person or company beneficially owns, or controls or directs, directly or indirectly, IPC Shares carrying 10% or more of the voting rights attached to the IPC Shares, except as set forth below:

Name of IPC Shareholder	Number of IPC Shares⁽¹⁾	Percentage of Outstanding IPC Shares⁽²⁾
Nemesia S.à.r.l. ⁽³⁾	28,062,512	31.92%

Notes:

- (1) The information has been obtained by IPC from filings on SEDI as of the date of this Circular.
- (2) The percentage has been calculated by IPC based on the number of issued and outstanding IPC Shares as of the date of this Circular.
- (3) Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l., two private companies controlled by a trust settled by the late Adolf H. Lundin, together hold 100% of the outstanding Class C shares of Nemesia S.à.r.l. and control Nemesia S.à.r.l.

Quorum

Pursuant to the by-laws of IPC, a quorum of IPC Shareholders is present at the IPC Shareholders' Meeting if two or more IPC Shareholders are present or represented by proxy holding in the aggregate not less than 25% of the outstanding IPC Shares.

Procedure and Votes Required

The IPC Record Date for determination of the IPC Shareholders entitled to receive notice of and to vote at the IPC Shareholders' Meeting is the close of business on November 9, 2018. IPC will prepare, or cause to be prepared, as of the IPC Record Date, a list of IPC Shareholders entitled to receive the Notice of Meeting and showing the number of IPC Shares held by each such IPC Shareholder. Only IPC Shareholders whose names have been entered in the register of holders of IPC Shares on the close of business on the IPC Record Date will be entitled to receive notice of and to vote the IPC Shares shown opposite such IPC Shareholder's name at the IPC Shareholders' Meeting.

Each holder of IPC Shares at the close of business on the IPC Record Date will be entitled to receive notice of, to attend and to vote at the IPC Shareholders' Meeting. Each IPC Share shall entitle the holder to one vote at the IPC Shareholders' Meeting in respect of the IPC Share Issuance Resolution. The requisite approval for the IPC Share Issuance Resolution shall be greater than 50% of the votes cast by IPC Shareholders present in person or represented by proxy at the IPC Shareholders' Meeting, after excluding the votes cast by those insiders of IPC whose votes are required to be excluded pursuant to Section 611(b) of the TSX Company Manual.

Notwithstanding the foregoing, the IPC Share Issuance Resolution proposed for consideration by the IPC Shareholders authorizes the IPC Board, without further notice to or approval of the IPC Shareholders: (a) to amend the Arrangement Agreement, to the extent permitted by the Arrangement Agreement; (b) issue up to an additional 20,289,277 IPC Shares, such number being 25% of the IPC Shares approved by IPC Shareholders to be issued pursuant to the Arrangement, provided that the additional IPC Shares are issued pursuant to an increase in the consideration under the Arrangement; and (c) subject to the terms of the Arrangement Agreement, to disregard the IPC Shareholders' approval and not proceed with the Arrangement at any time prior to the Effective Time. See Appendix A to this Circular for the full text of the IPC Share Issuance Resolution.

GENERAL PROXY MATTERS – BLACKPEARL

Solicitation of Proxies

This Circular is provided in connection with the solicitation of proxies by and on behalf of the management of BlackPearl for use at the BlackPearl Securityholders' Meeting and the associated costs thereof will be borne by BlackPearl. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of BlackPearl (who will not be specifically remunerated therefor).

The BlackPearl Securityholders' Meeting is being called pursuant to the Interim Order of the Court to seek the requisite approval of BlackPearl Securityholders of the BlackPearl Arrangement Resolution. See "*The Arrangement*" and "*Matters to be Considered at the BlackPearl Securityholders' Meeting*".

The information set forth below generally applies to registered holders of BlackPearl Shares (i.e., those BlackPearl Shareholders holding a physical share certificate registered in their name and representing their BlackPearl Shares) and BlackPearl Options. If you are a Beneficial Holder of BlackPearl Shares (i.e., those BlackPearl Shareholders whose BlackPearl Shares are held through an Intermediary), see "*Information for Beneficial Holders*".

Appointment and Revocation of Proxies

Accompanying this Circular is a form of proxy for BlackPearl Securityholders. The Persons named in the enclosed form of proxy are directors and/or officers of BlackPearl. **A BlackPearl Securityholder has the right to appoint a Person (who need not be a BlackPearl Securityholder) other than the Persons designated in the accompanying form of proxy provided by BlackPearl to represent the BlackPearl Securityholders at the BlackPearl Securityholders' Meeting. To exercise this right, the BlackPearl Securityholder should strike out the names of the management designees in the enclosed form of proxy and insert the name of the desired representative in the blank space provided in the form of proxy or submit another appropriate form of proxy.** If you are a registered BlackPearl Securityholder and are unable to attend the BlackPearl Securityholders' Meeting in Person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada, BlackPearl's transfer agent. To be valid, completed proxy forms must be dated, completed, signed and deposited with Computershare Trust Company of Canada: (a) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5; (b) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or (c) by facsimile to (416) 263-9524 or 1-866-249-7775. BlackPearl Securityholders may also vote through the internet at www.investorvote.com and may appoint another Person to be his or her proxyholder (which will require the 15-digit control number found on the proxy form). All proxy or voting instructions must be received in each case no later than 9:00 a.m. (Calgary time) on December 5, 2018. The proxy shall be in writing and executed by the BlackPearl Securityholder or such BlackPearl Securityholder's attorney authorized in writing, or if such BlackPearl Securityholder is a corporation, under its corporate seal or by a duly authorized officer or attorney. The Chair of the BlackPearl Securityholders' Meeting shall have the discretion to accept all, but not less than all, valid proxies received after the foregoing deadline and prior to the BlackPearl Securityholders' Meeting.

In addition to revocation in any other manner permitted by law, a BlackPearl Securityholder may revoke a proxy: (a) by instrument in writing executed by the BlackPearl Securityholder or such BlackPearl Securityholder's attorney authorized in writing or if the BlackPearl Securityholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited either with the Depository, acting as scrutineers, at the office of the Depository designated in the Notice of Meeting to BlackPearl Securityholders and the Circular not later than 9:00 a.m. (Calgary time) on the Business Day preceding the date of the BlackPearl Securityholders' Meeting (or any adjournment thereof) or with the Chair on the day of the BlackPearl Securityholders' Meeting (or any adjournment thereof); (b) by a duly executed and deposited proxy bearing a later date or time than the date or time of the proxy being revoked; or (c) as permitted by law.

Information Concerning the BlackPearl SDRs

The information in this section is of significance to the holders of BlackPearl SDRs. Registered holders of BlackPearl Shares are entitled to deposit their BlackPearl Shares with Pareto, a custodian bank in Sweden, in exchange for BlackPearl SDRs issued by Pareto and to register those BlackPearl SDRs in the depository system with Euroclear in order to trade their BlackPearl SDRs on the Nasdaq. The BlackPearl SDRs are listed on the Nasdaq and trade in the local currency of Sweden. The BlackPearl SDRs issued by Pareto are evidence of ownership of one or more BlackPearl Shares that Pareto holds in trust. Certain terms and conditions apply to the BlackPearl SDRs as a result of a custodial arrangement between BlackPearl and Pareto, whereby Pareto has agreed to hold the BlackPearl Shares on behalf of the holders of the BlackPearl SDRs in a depository account and to issue one BlackPearl SDR for each BlackPearl Share deposited into such account. Pareto deposits the BlackPearl Shares represented by the BlackPearl SDRs with a Canadian bank, which then registers the BlackPearl Shares in the name of CDS & Co. in the electronic securities system operated by CDS in Canada. The holders of the BlackPearl SDRs are entitled to the same rights as holders of BlackPearl Shares. The holders of BlackPearl SDRs are treated similarly as compared to beneficial BlackPearl Shareholders in Canada.

Pursuant to the terms of the custodial arrangement between BlackPearl and Pareto, Pareto is responsible, in accordance with Swedish Securities Laws, for providing the holders of the BlackPearl SDRs with information regarding any meeting of BlackPearl Shareholders and the procedures for exercising voting rights at such meetings. The holders of the BlackPearl SDRs are not registered holders of BlackPearl Shares for the purposes of voting at the BlackPearl Securityholders' Meeting. Accordingly, holders of BlackPearl SDRs will receive a Voting Instruction Form directly from Pareto in respect of the BlackPearl Securityholders' Meeting. A Voting Instruction Form cannot be used to vote the BlackPearl Shares directly at the BlackPearl Securityholders' Meeting. Instead, a Voting Instruction Form must be completed by each holder of BlackPearl SDRs and returned to Pareto strictly in accordance with the instructions and deadlines that will be described in the instructions provided with the Voting Instruction Form. The Voting Instruction Form in respect of the BlackPearl Securityholders' Meeting will specify that it will not be valid unless it is signed and dated and received by Pareto by not later than November 29, 2018.

Proxy Voting

The BlackPearl Securities represented by an effective proxy will be voted in accordance with the instructions specified therein. Where no choice is specified, the BlackPearl Securities will be voted in favour of the BlackPearl Arrangement Resolution. The enclosed form of proxy confers discretionary authority upon the Persons named therein in respect of amendments or variations to matters identified in the Notice of Special Meeting to BlackPearl Securityholders and with respect to other matters which may properly come before the BlackPearl Securityholders' Meeting or any adjournment or postponement thereof. As of the date hereof, management of BlackPearl knows of no amendments, variations or other matters to come before the BlackPearl Securityholders' Meeting; however, if any other matter properly comes before the BlackPearl Securityholders' Meeting, the accompanying form of proxy will be voted on such matter in accordance with the best judgment of the Person(s) voting the proxies.

Voting Securities of BlackPearl and Principal Holders Thereof

As at November 9, 2018, there are 337,263,507 BlackPearl Shares and 25,151,663 BlackPearl Options issued and outstanding. Pursuant to the Interim Order, each BlackPearl Share or BlackPearl Option that is outstanding at the BlackPearl Record Date will be entitled to one vote in respect of the BlackPearl Arrangement Resolution.

To the knowledge of the directors and executive officers of BlackPearl, as of the date hereof, no Person or company beneficially owns, or controls or directs, directly or indirectly, BlackPearl Shares carrying 10% or more of the voting rights attached to the BlackPearl Shares, except as set forth below:

Name of BlackPearl Shareholder(s)	Number of BlackPearl Shares⁽¹⁾	Percentage of Outstanding BlackPearl Shares⁽²⁾
Burgundy Asset Management	45,279,528	13.43%
Franklin Resources, Inc. ⁽³⁾	40,405,626	11.98%
Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l. ⁽⁴⁾	40,218,985	11.93%

Notes:

- (1) Except as otherwise indicated, the information has been obtained by BlackPearl from filings on SEDI as of the date of this Circular.
- (2) The percentage has been calculated by BlackPearl based on the number of issued and outstanding BlackPearl Shares as of the date of this Circular.
- (3) Based on the Alternative Monthly Report of Franklin Resources, Inc. dated December 9, 2016 filed under BlackPearl's SEDAR profile at www.sedar.com.
- (4) Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l. are two private companies controlled by a trust settled by the late Adolf H. Lundin.

Quorum

Pursuant to the Interim Order and the by-laws of BlackPearl, a quorum of BlackPearl Shareholders is present at the BlackPearl Securityholders' Meeting if at least two Persons are present in person or represented by proxy holding in the aggregate not less than 25% of the outstanding BlackPearl Shares.

Procedure and Votes Required

The BlackPearl Record Date for determination of the BlackPearl Securityholders entitled to receive notice of and to vote at the BlackPearl Securityholders' Meeting is the close of business on November 9, 2018. BlackPearl will prepare, or cause to be prepared, as of the BlackPearl Record Date, a list of BlackPearl Securityholders entitled to receive the Notice of Meeting and showing the number of BlackPearl Shares and BlackPearl Options, as applicable, held by each such BlackPearl Securityholder. Only BlackPearl Securityholders whose names have been entered in the registers of holders of BlackPearl Shares and BlackPearl Options on the close of business on the BlackPearl Record Date will be entitled to receive notice of and to vote the BlackPearl Shares and BlackPearl Options, as applicable, shown opposite such BlackPearl Securityholder's name at the BlackPearl Securityholders' Meeting. Pursuant to the BlackPearl Option Plan, BlackPearl Optionholders are not permitted to transfer their respective BlackPearl Options.

The Interim Order provides that each holder of BlackPearl Shares or BlackPearl Options, as applicable, at the close of business on the BlackPearl Record Date will be entitled to receive notice of, to attend and to vote at the BlackPearl Securityholders' Meeting.

Pursuant to the Interim Order:

- (a) each BlackPearl Share and BlackPearl Option will entitle the holder to one vote at the BlackPearl Securityholders' Meeting in respect of the BlackPearl Arrangement Resolution; and
- (b) the number of votes required to pass the BlackPearl Arrangement Resolution shall be:
 - (i) not less than two-thirds (66⅔%) of the votes cast by BlackPearl Securityholders, voting together as a single class, present in person or represented by proxy at the BlackPearl Securityholders' Meeting; and
 - (ii) not less than a simple majority of the votes cast by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by those persons whose votes are required to be excluded under MI 61-101.

In addition, pursuant to and in accordance with the policies of the TSX, the BlackPearl Arrangement Resolution must be approved by a majority of the votes cast by the BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting.

Notwithstanding the foregoing, the BlackPearl Arrangement Resolution proposed for consideration by the BlackPearl Securityholders authorizes the BlackPearl Board, without further notice to or approval of the BlackPearl Securityholders: (a) to amend the Arrangement Agreement and the Plan of Arrangement, to the extent permitted by the Arrangement Agreement and the Plan of Arrangement, as applicable; and (b) subject to the terms of the Arrangement Agreement, to disregard the approval of the BlackPearl Arrangement Resolution by the BlackPearl Securityholders and not proceed with the Arrangement at any time prior to the Effective Time. See Appendix B to this Circular for the full text of the BlackPearl Arrangement Resolution.

EXPERTS' CONSENTS

Consent of Paradigm Capital Inc.

We have read the joint management information circular of International Petroleum Corporation ("**IPC**") and BlackPearl Resources Inc. ("**BlackPearl**") dated November 9, 2018 (the "**Circular**") with respect to a proposed plan of arrangement involving BlackPearl, IPC and certain securityholders of BlackPearl.

We consent to the inclusion in the Circular of our fairness opinion to the special committee of the board of directors of IPC and to the references to our firm name and our fairness opinion therein.

(Signed) "*Paradigm Capital Inc.*"
Toronto, Ontario

November 9, 2018

Consent of GMP Securities L.P.

We have read the joint management information circular of International Petroleum Corporation ("**IPC**") and BlackPearl Resources Inc. ("**BlackPearl**") dated November 9, 2018 (the "**Circular**") with respect to a proposed plan of arrangement involving BlackPearl, IPC and certain securityholders of BlackPearl.

We consent to the inclusion in the Circular of our fairness opinion to the special committee of the board of directors of BlackPearl and the board of directors of BlackPearl and to the references to our firm name and our fairness opinion therein.

(Signed) "*GMP Securities L.P.*"
Calgary, Alberta

November 9, 2018

APPENDIX A

IPC SHARE ISSUANCE RESOLUTION

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (1) The issuance of up to 81,157,106 common shares ("**IPC Shares**") in the capital of International Petroleum Corporation ("**IPC**") pursuant to a plan of arrangement (the "**Plan of Arrangement**") under Section 192 of the *Canada Business Corporations Act* involving BlackPearl Resources Inc. ("**BlackPearl**"), certain securityholders of BlackPearl and IPC, as more particularly described and set forth in the joint management information circular of IPC and BlackPearl (the "**Circular**") accompanying the notice of this meeting, is hereby authorized and approved.
- (2) The Arrangement Agreement (as defined in the Circular), the actions of the directors of IPC in approving the Arrangement Agreement and the actions of the directors and officers IPC in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.
- (3) Notwithstanding that this resolution has been passed by the IPC Shareholders (as defined in the Circular) or that the Arrangement (as defined in the Circular) has been approved by the Court of Queen's Bench of Alberta, the directors of IPC are hereby authorized and empowered, without further notice to or approval of the IPC Shareholders: (a) to amend the Arrangement Agreement, to the extent permitted by the Arrangement Agreement; (b) issue up to an additional 20,289,277 IPC Shares, such number being 25% of the IPC Shares approved by IPC Shareholders to be issued pursuant to the Arrangement, provided that the additional IPC Shares are issued pursuant to an increase in the consideration under the Arrangement; and (c) subject to the terms of the Arrangement Agreement, to disregard the IPC Shareholders' approval and not proceed with the Arrangement.
- (4) Any one director or officer of IPC is hereby authorized and directed, for and on behalf of IPC, to execute or cause to be executed, under the corporate seal of IPC or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such director's or officer's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

APPENDIX B

BLACKPEARL ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- (1) The arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving BlackPearl Resources Inc. ("**BlackPearl**"), as more particularly described and set forth in the joint management information circular of BlackPearl and International Petroleum Corporation ("**IPC**") accompanying the notice of this meeting, as the Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.
- (2) The plan of arrangement (the "**Plan of Arrangement**") involving BlackPearl, certain securityholders of BlackPearl (the "**BlackPearl Securityholders**") and IPC, the full text of which is set out as Schedule A to the Arrangement Agreement dated October 9, 2018 between IPC and BlackPearl (the "**Arrangement Agreement**"), as the Plan of Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.
- (3) The Arrangement Agreement, the actions of the directors of BlackPearl in approving the Arrangement Agreement and the actions of the directors and officers of BlackPearl in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.
- (4) Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the BlackPearl Securityholders or that the Arrangement has been approved by the Court of Queen's Bench of Alberta, the directors of BlackPearl are hereby authorized and empowered, without further notice to or approval of the BlackPearl Securityholders: (a) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement and the Plan of Arrangement, as applicable; and (b) subject to the terms of the Arrangement Agreement, to disregard the BlackPearl Securityholders' approval and not proceed with the Arrangement.
- (5) Any one director or officer of BlackPearl be and is hereby authorized and directed for and on behalf of BlackPearl to execute, under the corporate seal of BlackPearl or otherwise, and to deliver to the Director under the CBCA for filing articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.
- (6) Any one director or officer of BlackPearl is hereby authorized and directed, for and on behalf of BlackPearl, to execute or cause to be executed, under the corporate seal of BlackPearl or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such director's or officer's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

APPENDIX C
ARRANGEMENT AGREEMENT

ARRANGEMENT AGREEMENT

between

INTERNATIONAL PETROLEUM CORPORATION

and

BLACKPEARL RESOURCES INC.

October 9, 2018

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ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated October 9, 2018 between:

INTERNATIONAL PETROLEUM CORPORATION, a corporation incorporated under the *Business Corporations Act* (British Columbia) with its head office in the City of Vancouver, in the Province of British Columbia ("**IPC**")

- and -

BLACKPEARL RESOURCES INC., a corporation incorporated under the *Canada Business Corporations Act* with its head office in the City of Calgary, in the Province of Alberta ("**BlackPearl**")

WHEREAS IPC and BlackPearl wish to complete a transaction involving the acquisition by IPC of all the issued and outstanding BlackPearl Shares in exchange for IPC Shares in accordance with the terms set out herein;

AND WHEREAS IPC and BlackPearl wish to carry out the transactions contemplated by this Agreement by way of a plan of arrangement of BlackPearl under the provisions of the CBCA;

AND WHEREAS the IPC Board (based on the recommendation of the IPC Special Committee) and the BlackPearl Board (based on the recommendation of the BlackPearl Special Committee) have determined that it would be in the best interests of IPC and BlackPearl, respectively, to enter into this Agreement and to complete the transactions contemplated herein;

AND WHEREAS, concurrently with the execution of this Agreement, IPC has entered into the BlackPearl Support Agreements, dated as of the date hereof, with the BlackPearl Supporting Shareholders and BlackPearl has entered into the IPC Support Agreements, dated as of the date hereof, with the IPC Supporting Shareholders;

AND WHEREAS the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters related to the transactions herein provided for;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT IN CONSIDERATION of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

"**Acquisition Proposal**" means any inquiry or the making of any proposal or offer, whether or not in writing, to BlackPearl or the BlackPearl Shareholders from any Person or group of Persons "acting jointly or in concert" (within the meaning of NI 62-104) which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions):

- (a) any direct or indirect sale, issuance or acquisition of BlackPearl Shares or other securities (or securities convertible or exercisable for BlackPearl Shares or other securities) of BlackPearl or any Subsidiary of BlackPearl that, when taken together with the BlackPearl Shares and other securities of BlackPearl held by the proposed acquirer

and any Person acting jointly or in concert with such acquiror, represent 20% or more of any class of equity or voting securities of BlackPearl or any Subsidiary of BlackPearl or rights or interests therein and thereto;

- (b) any direct or indirect acquisition of 20% or more of the assets (or any lease, joint venture, acquisition of a royalty interest, production, forward sale or prepayment, development agreement, long-term supply agreement or other arrangement having the same economic effect as a purchase or sale of 20% or more of the assets) of BlackPearl and its Subsidiaries, taken as a whole;
- (c) any amalgamation, arrangement, share exchange, merger, business combination, consolidation, recapitalization, liquidation, dissolution, winding-up, reorganization or other similar transaction involving BlackPearl or its Subsidiaries;
- (d) any take-over bid, issuer bid, exchange offer or other similar transaction involving BlackPearl or its Subsidiaries that, if consummated, would result in a Person or group of Persons acting jointly or in concert with such Person acquiring beneficial ownership of 20% or more of any class of equity or voting securities of BlackPearl or any Subsidiary of BlackPearl; or
- (e) any other similar transaction or series of transactions;

"**AcquisitionCo**" has the meaning ascribed thereto in Section 2.1;

"**affiliate**" has the meaning set forth in the *Securities Act* (Alberta);

"**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this Arrangement Agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, Section, schedule or other portion hereof;

"**Arrangement**" means the arrangement pursuant to Section 192 of the CBCA, on the terms and conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of the Plan of Arrangement, including as may be made at the direction of the Court;

"**Articles of Arrangement**" means the articles of arrangement of BlackPearl in respect of the Arrangement required under subsection 192(6) of the CBCA to be sent to the Director after the Final Order has been granted, giving effect to the Arrangement;

"**associate**" has the meaning set forth in the *Securities Act* (Alberta);

"**BlackPearl Arrangement Resolution**" means the special resolution of the BlackPearl Shareholders in respect of the Arrangement to be considered by the BlackPearl Shareholders at the BlackPearl Shareholders' Meeting, substantially in the form of Schedule B-1 hereto;

"**BlackPearl Board**" means the board of directors of BlackPearl;

"**BlackPearl Credit Facility**" means the \$120 million senior revolving credit facility of BlackPearl with a syndicate of financial institutions, which matures on May 26, 2019;

"**BlackPearl Debt**" means the total consolidated indebtedness, including long-term debt (including, for greater certainty, the BlackPearl Notes) and bank debt (including, for greater certainty, amounts outstanding under the BlackPearl Credit Facility) and working capital deficiency, of BlackPearl;

"BlackPearl Disclosure Letter" means the disclosure letter of BlackPearl dated the date hereof and delivered by BlackPearl to IPC in connection with this Agreement;

"BlackPearl Employee Plans" has the meaning ascribed thereto in paragraph (oo) of Schedule D hereto;

"BlackPearl Employee Obligations" means any obligations or liabilities of BlackPearl to pay any amount to or on behalf of its directors, officers, BlackPearl Employees or consultants (other than for salary, vacation pay and directors' fees in the ordinary course and in amounts consistent with historic practices and not including payments made in respect of BlackPearl Incentive Awards) and, without limiting the generality of the foregoing, BlackPearl Employee Obligations shall include the obligations of BlackPearl to BlackPearl Employees for severance or other termination payments pursuant to the BlackPearl Employment Agreements and arising under applicable Laws as a result of the change of control of BlackPearl;

"BlackPearl Employee Offer Letters" means, collectively, each offer letter dated the date hereof between IPC and John Festival, Don Cook, Ed Sobel or Chris Hogue, as applicable, pursuant to which, among other things and subject to the terms and conditions thereof, IPC has agreed to cause one of its affiliates to employ or retain such individuals as employees of, or consultants to, such affiliate to become effective upon the Effective Time in exchange for the agreement to delay by such individuals payment of the BlackPearl Employee Obligations payable in connection with the Arrangement under the applicable BlackPearl Employee Agreements;

"BlackPearl Employees" means the officers and other employees of BlackPearl and its Subsidiaries;

"BlackPearl Employment Agreements" means the executive employment agreements between BlackPearl and each of John Festival, the President and Chief Executive Officer of BlackPearl, Don Cook, the Chief Financial Officer of BlackPearl, Ed Sobel, the Vice President, Exploration of BlackPearl and Chris Hogue, the Vice President, Operations of BlackPearl, as listed in the BlackPearl Disclosure Letter;

"BlackPearl Fairness Opinion" has the meaning ascribed thereto in Section 2.3(b);

"BlackPearl Financial Statements" has the meaning ascribed thereto in paragraph (m) of Schedule D hereto;

"BlackPearl Incentive Awards" means, collectively, the BlackPearl Options and the BlackPearl RSUs;

"BlackPearl Information" means the information regarding BlackPearl and the BlackPearl Shareholders' Meeting required to be included in the Joint Information Circular, or included in the Joint Information Circular at the written request of BlackPearl;

"BlackPearl LTI Plans" means, collectively, the BlackPearl Option Plan and the BlackPearl RSU Plan, including any award agreements related to BlackPearl Incentive Awards granted thereunder;

"BlackPearl Material Agreements" has the meaning ascribed thereto in paragraph (z) of Schedule D hereto;

"BlackPearl Note Purchase Agreement" means the note purchase agreement dated June 30, 2017 between BlackPearl and the purchasers listed in the Purchaser Schedule thereto, establishing and setting forth, among other things, the terms of the BlackPearl Notes, as publicly disclosed by BlackPearl on SEDAR;

"BlackPearl Notes" means the \$75 million aggregate principal amount of 8.00% senior secured notes of BlackPearl due June 30, 2020

"BlackPearl Option Plan" means the stock option plan of BlackPearl dated February 25, 2009 and amended and restated effective January 1, 2017, as publicly disclosed by BlackPearl on SEDAR;

"BlackPearl Options" means options to acquire BlackPearl Shares awarded pursuant to the BlackPearl Option Plan;

"BlackPearl Related Parties" has the meaning ascribed thereto in paragraph (y) of Schedule D hereto;

"BlackPearl Reserves Reports" means, collectively, the report prepared by Sproule dated January 18, 2018 evaluating the oil and gas reserves attributable to BlackPearl's properties as at December 31, 2017 and the contingent resource reports prepared by Sproule dated January 17, 2018 for the Blackrod, Onion Lake and Mooney properties of BlackPearl as at December 31, 2017;

"BlackPearl RSU Plan" means the restricted share unit plan of BlackPearl dated February 22, 2017, as publicly disclosed by BlackPearl on SEDAR;

"BlackPearl RSUs" means the restricted share units awarded pursuant to the BlackPearl RSU Plan;

"BlackPearl Shareholders" means the holders of BlackPearl Shares;

"BlackPearl Shareholders' Meeting" means the meeting or meetings of the BlackPearl Shareholders, including any adjournment or postponement thereof, that is or are to be convened as provided by the Interim Order to consider and, if deemed advisable, approve the BlackPearl Arrangement Resolution;

"BlackPearl Shares" means the common shares in the capital of BlackPearl;

"BlackPearl Special Committee" means the committee of independent directors of BlackPearl formed to consider and evaluate the Arrangement, comprised of Brian Edgar, Joanne Hruska and Victor Luhowy;

"BlackPearl Support Agreements" means the voting and support agreements between IPC and each of the BlackPearl Supporting Shareholders, pursuant to which the BlackPearl Supporting Shareholders have agreed to vote the BlackPearl Shares beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the BlackPearl Arrangement Resolution and to otherwise support the Arrangement;

"BlackPearl Supporting Shareholders" means each of the directors and executive officers of BlackPearl, Lorito Holdings S.à.r.l., Zebra Holdings and Investments S.à.r.l. and Burgundy Asset Management Ltd.;

"BlackPearl Swedish Depositary Receipts" means the Swedish Depositary receipts issued by BlackPearl through Pareto Securities AB, representing BlackPearl Shares, registered with Euroclear Sweden AB and listed on Nasdaq;

"BlackPearl Transaction Costs" means all costs and expenses incurred by BlackPearl in connection with the Arrangement, including all legal, accounting, audit, financial advisory, printing and other administrative and professional fees, costs and expenses incurred by BlackPearl in connection with the Arrangement, but excluding the BlackPearl Employee Obligations and any premiums paid for director and officer run-off insurance purchased by BlackPearl in accordance with Section 5.7(a);

"business day" means any day, other than a Saturday, a Sunday, a statutory holiday any other day when banks in the Provinces of British Columbia or Alberta or in the cities of London, England or Paris, France are not generally open for business;

"Canadian Securities Administrators" means the securities commission or other securities regulatory authority of each province and territory of Canada;

"Canadian Securities Laws" means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Administrator made thereunder;

"CBCA" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, including the regulations promulgated thereunder, as amended;

"Certificate" means the certificate to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement giving effect to the Arrangement;

"Commissioner" means the Commissioner of Competition appointed under subsection 7(1) of the Competition Act, or his designee;

"Competition Act" means the *Competition Act*, R.S.C. 1985, c. C-34, as amended, including the regulations promulgated thereunder, as amended;

"Competition Act Approval" means, in respect of the Arrangement, the occurrence of one of the following:

- (a) the issuance to IPC of an advance ruling certificate by the Commissioner under subsection 102(1) of the Competition Act with respect to the transactions contemplated by this Agreement; or
- (b) both of (i) the waiting period, including any extension thereof, under Section 123 of the Competition Act has expired or been terminated or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act has been waived in accordance with paragraph 113(c) of the Competition Act, and (ii) IPC has received a letter from the Commissioner indicating that he does not, as of the date of such letter, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by this Agreement.

"Confidentiality Agreement" means the confidentiality agreement dated December 31, 2017 between IPC and BlackPearl;

"Court" means the Court of Queen's Bench of Alberta;

"deliberate" breach of any representation, warranty or covenant by IPC or BlackPearl means that, as applicable, an executive officer of IPC or BlackPearl (a) had actual knowledge that a representation or warranty of the Party to which he or she served as an executive officer was false when made or (b) as to a covenant herein, directed or allowed IPC or BlackPearl, as applicable, to take an action, fail to take an action or permit an action to be taken or occur that he or she knew at such time constituted a breach of a covenant herein by such Party;

"Director" means the Director duly appointed under Section 160 of the CBCA;

"Dissent Rights" means the rights of dissent provided for in Article 5 of the Plan of Arrangement;

"Effective Date" means the effective date of the Arrangement, being the date shown on the Certificate;

"Effective Time" means 12:01 a.m. (Calgary time) on the Effective Date or such other time on the Effective Date as may be agreed to in writing by IPC and BlackPearl;

"Encumbrance" includes any mortgage, pledge, capital lease, assignment, charge, lien, security interest, adverse interest in property, debenture, claim, trust, royalty or other third party interest (whether by Law, contract or otherwise), security interest, conditional sales contract or other title retention agreement or similar interest or instrument to charge or create a security interest in or against title or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"Environmental Laws" means, with respect to any Person or its business, activities, property, assets or undertaking, all Laws, including the common law, relating to environmental or health and safety matters in the jurisdictions applicable to such Person or its business, activities, property, assets or undertaking, including, without limitation, legislation governing the reduction of greenhouse gas emissions and the use, transportation, storage and release of Hazardous Substances;

"ERCE" means ERC Equipoise Ltd.;

"Exchange Ratio" means 0.22 of an IPC Share for each BlackPearl Share;

"Exchanges" means the TSX and Nasdaq;

"Final Order" means the final order of the Court approving the Arrangement pursuant to subsection 192(4)(e) of the CBCA, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed;

"Governmental Entity" means any: (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body (including any securities commission or similar regulatory authority) exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the Exchanges, as applicable;

"Hazardous Substances" means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws;

"IFRS" means International Financial Reporting Standards, as incorporated in the Handbook of the Canadian Institute of Chartered Accountants, at the relevant time applied on a consistent basis;

"Interim Order" means the interim order of the Court under subsection 192(4) of the CBCA, as such order may be amended, containing declarations and directions in respect of the notice to be given and the conduct of the BlackPearl Shareholders' Meeting with respect to the Arrangement as more fully set out herein;

"Investment Canada Act" means the Investment Canada Act, R.S.C. 1985, c. 28 (1st Supp.), as amended;

"IPC Alberta" means IPC Alberta Ltd., a corporation incorporated under the laws of the Province of Alberta and a wholly-owned Subsidiary of IPC;

"IPC Board" means the board of directors of IPC;

"IPC Credit Facilities" means, collectively, the US\$200 million senior reserve-based revolving credit facility of IPC International with a syndicate of financial institutions, guaranteed by IPC, which matures on June 30, 2022, and the \$225 million senior reserve-based revolving credit facility of IPC Alberta, guaranteed by IPC, which matures on January 5, 2019;

"IPC Debt" means the total consolidated indebtedness, including long-term debt and bank debt (including, for greater certainty, amounts outstanding under the IPC Credit Facilities) and working capital deficiency, of IPC;

"IPC Disclosure Letter" means the disclosure letter of IPC dated the date hereof and delivered by IPC to BlackPearl in connection with this Agreement;

"IPC Fairness Opinion" has the meaning ascribed thereto in Section 2.2(b);

"IPC Financial Statements" has the meaning ascribed thereto in paragraph (n) of Schedule C hereto;

"IPC Incentive Awards" means, collectively, the IPC Options, the IPC PSUs, the IPC RSUs, the IPC Transitional PSUs and the IPC Transitional RSUs;

"IPC Information" means the information regarding IPC and the IPC Shareholders' Meeting required to be included in the Joint Information Circular, or included in the Joint Information Circular at the written request of IPC;

"IPC International" means International Petroleum B.V., a company incorporated under the laws of the Netherlands and an indirect, wholly-owned Subsidiary of IPC;

"IPC LTI Plans" means, collectively, the IPC Option Plan, the IPC Share Unit Plan and the IPC Transitional PSU and RSU Plan, including any award agreements related to IPC Incentive Awards granted thereunder;

"IPC Option Plan" means the stock option plan of IPC dated April 16, 2017 and amended on May 25, 2018, as publicly disclosed by IPC on SEDAR;

"IPC Options" means options to acquire IPC Shares awarded pursuant to the IPC Option Plan;

"IPC PSUs" means the performance share units awarded pursuant to the IPC Share Unit Plan;

"IPC Reserves Reports" means, collectively, the report prepared by ERCE dated February 21, 2018 evaluating the reserves, contingent resources and prospective resources attributable to IPC's oil and gas assets in France, Malaysia and the Netherlands as at December 31, 2017 and the report prepared by McDaniel dated January 5, 2018 evaluating the reserves and contingent resources attributable to IPC's oil and gas assets in Canada as at December 31, 2017;

"IPC RSUs" means the restricted share units awarded pursuant to the IPC Share Unit Plan;

"IPC Share Issuance Resolution" means the ordinary resolution of the IPC Shareholders to authorize and approve the issuance by IPC of the IPC Shares to the BlackPearl Shareholders pursuant to the Arrangement and in accordance with the requirements of the Exchanges, as applicable, substantially in the form of Schedule B-2 hereto;

"IPC Share Unit Plan" means the performance and restricted share plan of IPC dated July 10, 2018, as publicly disclosed by IPC on SEDAR;

"IPC Shareholders" means the holders of IPC Shares;

"IPC Shareholders' Meeting" means such meeting or meetings of the IPC Shareholders, including any adjournment or postponement thereof, that is or are to be convened to consider and, if deemed advisable, approve the IPC Share Issuance Resolution;

"IPC Shares" means the common shares in the capital of IPC;

"IPC Special Committee" means the committee of directors of IPC formed to consider and evaluate the Arrangement, comprised of Donald Charter, Daniella Dimitrov and Torstein Sanness;

"IPC Support Agreements" means the voting and support agreements between BlackPearl and each of the IPC Supporting Shareholders, pursuant to which the IPC Supporting Shareholders have agreed to vote the IPC Shares beneficially owned, directly or indirectly, or controlled or directed by them, or subsequently acquired by them, in favour of the IPC Share Issuance Resolution and to otherwise support the Arrangement;

"IPC Supporting Shareholders" means each of the directors and officers of IPC and Nemesia S.à.r.l.;

"IPC Swedish Prospectus" means the prospectus to be prepared by IPC and registered with the Swedish Financial Supervisory Authority in connection with the Arrangement;

"IPC Transitional PSU and RSU Plan" means the transitional performance and restricted share plan of IPC dated April 16, 2017, as publicly disclosed by IPC on SEDAR;

"IPC Transitional PSUs" means the performance share units awarded pursuant to the IPC Transitional PSU and RSU Plan;

"IPC Transitional RSUs" means the restricted share units awarded pursuant to the IPC Transitional PSU and RSU Plan;

"Joint Information Circular" means the notice of the IPC Shareholders' Meeting and the notice of the BlackPearl Shareholders' Meeting to be sent to IPC Shareholders and BlackPearl Shareholders, respectively, and the management information circular to be prepared in connection with the IPC Shareholders' Meeting and the BlackPearl Shareholders' Meeting, together with any amendments thereto or supplements thereof;

"Laws" means all laws, by-laws, statutes, rules, regulations, principles of law, decisions, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority and the term **"applicable"** with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Persons or its business, activities, property, assets, undertaking or securities and emanate from a Person having jurisdiction over the Person or Persons or its or business, activities, property, assets, undertaking or securities; and "Laws" includes Environmental Laws and Securities Laws;

"Lenders' Approvals" means all consents, waivers and approvals as are required from (a) the lenders under the IPC Credit Facilities, (b) the lenders under the BlackPearl Credit Facility and (c) the holders of the BlackPearl Notes, in order to permit such credit facilities and notes to remain outstanding and in effect in accordance with their existing terms upon and following completion of the Arrangement, without resulting (whether immediately or as a result of lapse of time) in a default, premium, penalty, event of default, repayment or redemption obligation, requirement to effect a repurchase offer or other action, obligation or change in any material and adverse respect resulting from the Arrangement;

"Material Adverse Change" or **"Material Adverse Effect"** means, with respect to a Party, any fact or state of facts, circumstance, change, effect, occurrence or event which:

- (a) either individually is or in the aggregate are, or individually or in the aggregate could reasonably be expected to be, material and adverse to the business, operations, results of operations, properties, assets, liabilities (whether absolute, accrued, contingent or otherwise), capitalization or condition (financial or otherwise) of such Party and its Subsidiaries, taken as a whole, except to the extent of any fact or state of facts, circumstance, change, effect, occurrence or event resulting from or arising in connection with:
- (i) in respect of IPC, any matter or prospective matter that has been expressly disclosed in the IPC Disclosure Letter, and, in respect of BlackPearl, any matter or prospective matter that has been expressly disclosed in the BlackPearl Disclosure Letter, in each case, only to the extent disclosed;
 - (ii) the failure of such Party to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics before, on or after the date of this Agreement (provided, however, that the facts or causes underlying such failure may be considered to determine whether such facts or causes, either alone or in combination, constitute a Material Adverse Change or Material Adverse Effect);
 - (iii) conditions affecting the oil and gas exploration, exploitation, development and production industry (the "**Relevant Business**") generally in jurisdictions in which IPC or BlackPearl, as the case may be, carries on a material portion of its business, and not specifically relating to IPC or BlackPearl, as the case may be, including changes in royalties, Laws (including Tax Laws) or any change in IFRS or regulatory accounting requirements applicable to the Relevant Business;
 - (iv) any change in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in general economic, business, regulatory or market conditions or in national or global financial or capital markets or commodity markets (including any decline in crude oil, bitumen or natural gas prices on a current or forward basis);
 - (v) any natural disaster;
 - (vi) any changes in the trading price or trading volumes of the IPC Shares or BlackPearl Shares, as applicable (provided, however, that the facts or causes underlying such changes may be considered to determine whether such facts or causes, either alone or in combination, constitute a Material Adverse Change or Material Adverse Effect);
 - (vii) any actions taken (or omitted to be taken) at the written request or with the prior written consent of the other Party hereto;
 - (viii) the announcement of this Agreement or any action taken by a Party or any of its Subsidiaries that is required pursuant to this Agreement (including any steps taken pursuant to Section 5.3 to obtain any Regulatory Approvals, but excluding any obligation to act in the ordinary course of business); or

provided, however, that (A) with respect to paragraphs (iii), (iv) and (v), such matter does not have a materially disproportionate effect on the Party and its Subsidiaries, taken as a whole, relative to comparable entities operating in the Relevant Business, in which case, the relevant exclusion from this definition of "Material Adverse Change" or "Material Adverse Effect" referred to in paragraphs (iii), (iv) and (v) above would not apply, and (B) references in certain Sections of this Agreement to dollar amounts are not intended to

be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a "Material Adverse Change" or a "Material Adverse Effect" has occurred; or

- (b) either individually or in the aggregate prevents or materially delays, or individually or in the aggregate could reasonably be expected to prevent or materially delay, the completion of the Arrangement or the Party from performing its material obligations under this Agreement in any material respect;

"Material Subsidiary" means, with respect to a Party; a Subsidiary (i) the total assets of which constitute more than 10% of the consolidated assets of the Party as at June 30, 2018 or (ii) the total revenues of which constitute more than 10% of the consolidated revenues of the Party for the six months ended June 30, 2018;

"McDaniel" means McDaniel & Associates Consultants Ltd.;

"MI 61-101" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"Misrepresentation" means any untrue statement of a material fact or any omission to state a material fact required to be stated or necessary to be stated in order to make a statement, in light of the circumstances in which it is made, not misleading;

"NI 62-104" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

"Nasdaq" means the Nasdaq Stockholm Exchange;

"Outside Date" means February 28, 2019;

"Parties" means IPC and BlackPearl, and **"Party"** means either one of them;

"Permitted Encumbrances" means: (a) with respect to IPC, Encumbrances specifically disclosed in the IPC Disclosure Letter, and, with respect to BlackPearl, Encumbrances specifically disclosed in the BlackPearl Disclosure Letter; (b) easements, rights of way, servitudes or other similar rights, including, without limitation, rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, wires and similar rights in real property or any interest therein, provided the same are registered on title and not of such nature as to materially adversely affect the use of the property subject thereto; (c) the regulations and any rights reserved to or vested in any municipality or Governmental Entity to levy taxes or to control or regulate any Party's or any of its Subsidiaries' interests in any manner; (d) undetermined or inchoate liens incurred or created in the ordinary course of business as security for a Party's or any of its Subsidiaries' share of the costs and expenses of the development or operation of any of its assets, which costs and expenses are not delinquent as of the Effective Time; (e) undetermined or inchoate mechanics' liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Effective Time; (f) liens granted in the ordinary course of business to a Governmental Entity respecting operations pertaining to petroleum and natural gas rights; (g) liens for taxes, assessments and governmental charges that are not due and payable or delinquent; and (h) any encumbrances under a Party's or any of its Subsidiaries' existing credit facilities or other borrowing arrangements (including, in the case of BlackPearl, the BlackPearl Note Purchase Agreement and the BlackPearl Notes) disclosed in the IPC Disclosure Letter or the BlackPearl Disclosure Letter, as the case may;

"Permits" means all authorizations, permits, decisions, determinations, judgments, directions, entitlements, licenses, orders, consents, approvals, notices, correspondence, directives, exemptions, registrations, rulings, advance rulings and certifications whether now existing or hereafter issued or

obtained or required to be issued or obtained and which are or may be given or issued by any Governmental Entity;

"**Person**" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity);

"**Plan of Arrangement**" means the plan of arrangement substantially in the form set forth in Schedule A hereto and any amendments or variations thereto made in accordance with Section 9.1 hereof or Article 6 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of IPC and BlackPearl, each acting reasonably;

"**Pre-Arrangement Reorganization**" has the meaning ascribed thereto in Section 5.4;

"**Pre-Emptive Right**" means a right of first refusal, pre-emptive right of purchase or similar right whereby any Person has a right to acquire or purchase all or any portion of any asset (including any securities) owned in whole or in part by BlackPearl or IPC, as applicable, or any of their respective Subsidiaries;

"**Refinancing**" has the meaning ascribed thereto in Section 5.1(l);

"**Regulatory Approvals**" means any consent, waiver, permit, permission, exemption, review, order, decision or approval of, or any registration and filing with or withdrawal of any objection or successful conclusion of any litigation brought by, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity or pursuant to a written agreement between the Parties and a Governmental Entity to refrain from consummating the Arrangement, in each case required or advisable under Laws in connection with the Arrangement, including the Competition Act Approval;

"**Relevant Business**" has the meaning set forth in the definitions of "Material Adverse Change" and "Material Adverse Effect" in this Agreement;

"**Representatives**" means the officers, directors, employees, financial advisors, legal counsel, accountants and other agents and representatives of a Party;

"**Securities Laws**" means, collectively, Canadian Securities Laws, Swedish Securities Laws and U.S. Securities Laws;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Sproule**" means Sproule Associates Limited;

"**Subsidiary**" has the meaning set forth in the *Securities Act* (Alberta);

"**Superior Proposal**" means an unsolicited written *bona fide* Acquisition Proposal to acquire not less than all of the outstanding BlackPearl Shares, or all or substantially all of the assets of BlackPearl and its Subsidiaries, taken as a whole:

- (a) that complies with applicable Laws and did not result from or involve a breach of Section 7.1;
- (b) that is not subject to a financing condition and in respect of which any funds or other consideration necessary to complete the Acquisition Proposal have been demonstrated, to the satisfaction of the BlackPearl Board, acting in good faith (after receiving advice from its financial advisor(s) and outside legal counsel), to have been obtained or are

reasonably likely to be obtained to fund completion of the Acquisition Proposal at the time and on the basis set out therein;

- (c) that is not subject to any due diligence condition or access condition (provided that it is understood that a provision in a proposed definitive agreement that is identical to Section 5.6 shall not constitute a condition with respect to access);
- (d) in respect of which the BlackPearl Board has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, would or would be reasonably likely to, if consummated in accordance with its terms and without assuming away the risk of non-completion, result in a transaction more favourable, from a financial point of view, for BlackPearl Shareholders to the transaction contemplated by this Agreement (including after considering the proposal to adjust the terms and conditions of the Arrangement as contemplated in Section 7.1(c));
- (e) that the BlackPearl Board has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, is reasonably likely to be completed on the terms proposed without undue delay and taking into account all legal, financial, regulatory (including with respect to the Competition Act, to the extent applicable) and other aspects of such Acquisition Proposal and the Person or group of Persons making such proposal; and
- (f) after receiving the advice of outside legal counsel, that the failure by the BlackPearl Board to accept, recommend, approve or enter into a definitive agreement to implement, as applicable, such Acquisition Proposal would be inconsistent with its fiduciary duties under applicable Laws;

"Swedish Securities Laws" means the securities legislation, regulations, rules and listing requirements applicable in Sweden;

"Tax" or **"Taxes"** means any and all taxes, duties, fees, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, however denominated, together with all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof, including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, large corporation, capital gain, alternative minimum, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, environmental, carbon, franchising, real or personal property, health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, all employment insurance, health insurance and Canada and other Governmental Entity pension plan and workers compensation premiums or contributions including any interest, fines or penalties for failure to withhold, collect or remit any tax and any liability for such taxes imposed by Law with respect to any other Person arising pursuant to any tax sharing, indemnification or other agreements or any liability for taxes of any predecessor or transferor entity and whether disputed or not;

"Tax Act" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, as amended;

"Tax Returns" means all reports, elections, designations, forms, declarations of estimated Tax, information statements and returns relating to, or required to be filed in connection with any Taxes, including any amendment thereof, and whether in tangible or electronic form;

"Tax Sharing Agreement" has the meaning ascribed thereto in subparagraph (f)(xiv) of Schedule D hereto;

"Technology" has the meaning ascribed thereto in paragraph (ss)(ii) of Schedule D hereto;

"**Termination Fee**" and "**Termination Fee Event**" have the respective meanings ascribed thereto in Section 8.3(a);

"**Termination Notice**" and "**Terminating Party**" have the respective meanings ascribed thereto in Section 6.4;

"**Third Party Beneficiaries**" has the meaning ascribed thereto in Section 9.9;

"**TSX**" means the Toronto Stock Exchange;

"**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended; and

"**U.S. Securities Laws**" means federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder;

1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

1.3 Article References

Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

1.4 Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and *vice versa*, and words importing gender shall include all genders.

1.5 Date for Any Action

If the date on which any action is required to be taken hereunder by a Party is not a business day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a business day in such place.

1.6 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

1.7 Schedules

The following Schedules annexed to this Agreement are incorporated by reference into this Agreement and form a part hereof:

Schedule A	Plan of Arrangement
Schedule B-1	Form of BlackPearl Arrangement Resolution
Schedule B-2	Form of IPC Share Issuance Resolution
Schedule C	Representations and Warranties of IPC
Schedule D	Representations and Warranties of BlackPearl

1.8 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made shall be made in a manner consistent with IFRS.

1.9 Disclosure Letters

The IPC Disclosure Letter and the BlackPearl Disclosure Letter and all information contained therein is "Confidential Information" for the purposes of the Confidentiality Agreement and may not be disclosed, other than (a) as permitted under the Confidentiality Agreement or (b) in circumstances where a Party needs to disclose it in order to enforce or exercise its rights under this Agreement.

1.10 Knowledge

In this Agreement, references to "**to the knowledge of**" means the actual knowledge of (a) in the case of IPC, Mike Nicholson, the Chief Executive Officer of IPC, Christophe Nerguararian, the Chief Financial Officer of IPC, and Jeffrey Fountain, the General Counsel and Corporate Secretary of IPC, and (b) in the case of BlackPearl, John Festival, the President and Chief Executive Officer of BlackPearl and Don Cook, the Chief Financial Officer of BlackPearl, as the case may be, as of the date of this Agreement and after due inquiry, and such officers shall make such inquiry as is reasonable in the circumstances.

1.11 Other Definitional and Interpretive Provisions

- (a) References in this Agreement to the words "include", "includes" or "including" shall be deemed to be followed by the words "without limitation" whether or not they are in fact followed by those words or words of like import.
- (b) Any capitalized terms used in any exhibit or Schedule, but not otherwise defined therein, shall have the meaning as defined in this Agreement.
- (c) References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. Any reference in this Agreement to a Person includes the heirs, administrators, executors, legal personal representatives, predecessors, successors and permitted assigns of that Person.
- (d) References to a particular statute or Law shall be to such statute or Law and the rules, regulations and published policies promulgated thereunder, as now in effect and as they may be promulgated thereunder or amended from time to time.

ARTICLE 2 THE ARRANGEMENT

2.1 The Arrangement

IPC and BlackPearl shall proceed to carry out the Arrangement under Section 192 of the CBCA pursuant to which, on the Effective Date, in accordance with the terms of the Plan of Arrangement, each BlackPearl Shareholder (other than those BlackPearl Shareholders who have validly exercised Dissent Rights) shall receive, for each BlackPearl Share, such number of IPC Shares equal to the Exchange Ratio. Certificates representing fractional IPC Shares shall not be issued, but in lieu thereof, a BlackPearl Shareholder otherwise entitled to a fractional interest in an IPC Share, shall receive the nearest whole number of IPC Shares, as applicable, with fractions equal to 0.5 or more being rounded up and fractions less than 0.5 being rounded down.

Notwithstanding any other provision of this Agreement and provided that such modification will not adversely impact the availability of, or terms and conditions of, the Lenders' Approvals, IPC may acquire the BlackPearl Shares through a direct or indirectly wholly-owned Subsidiary, currently existing or to be organized under the Laws of any jurisdiction in Canada ("**AcquisitionCo**"). IPC will cause AcquisitionCo to perform all of its obligations under the Plan of Arrangement.

2.2 IPC Approval

IPC represents and warrants to BlackPearl that:

- (a) based on the recommendation of the IPC Special Committee, the IPC Board has unanimously determined that:
 - (i) it will recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution; and
 - (ii) the Arrangement and the entry by IPC into this Agreement are in the best interests of IPC; and
- (b) the IPC Board has received a verbal opinion from Paradigm Capital Inc. that the consideration to be paid by IPC to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to IPC and the IPC Shareholders (the "**IPC Fairness Opinion**").

2.3 BlackPearl Approval

BlackPearl represents and warrants to IPC that:

- (a) based on the recommendation of the BlackPearl Special Committee, the BlackPearl Board has unanimously determined that:
 - (i) the Arrangement is fair to the BlackPearl Shareholders;
 - (ii) it will recommend that the BlackPearl Shareholders vote in favour of the BlackPearl Arrangement Resolution; and
 - (iii) the Arrangement and the entry by BlackPearl into this Agreement are in the best interests of BlackPearl and the BlackPearl Shareholders; and
- (b) that the BlackPearl Board has received a verbal opinion from GMP Securities L.P., the financial advisor to BlackPearl, that the consideration to be paid by IPC to the BlackPearl Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the BlackPearl Shareholders (the "**BlackPearl Fairness Opinion**").

2.4 Obligations of IPC Regarding IPC Shareholders' Meeting Matters and the IPC Swedish Prospectus

Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement, IPC shall take all actions and do all things necessary or desirable, in accordance with all applicable Laws, to:

- (a) duly call, give notice of, convene and hold the IPC Shareholders' Meeting as promptly as practicable, and in any event not later than December 14, 2018 (subject to any adjournment or postponement required or permitted by this Agreement) and with a record date not later than November 14, 2018, to vote upon the IPC Share Issuance Resolution and any other matters as may be properly brought before such meeting (provided that,

except as otherwise required by Law, IPC will not propose or submit for consideration at the IPC Shareholders' Meeting any business other than the approval of the IPC Share Issuance Resolution without the prior written consent of BlackPearl); and

- (b) solicit proxies of IPC Shareholders in favour of the IPC Share Issuance Resolution and against any resolution submitted by any Person that is inconsistent with the IPC Share Issuance Resolution and the completion of any transactions contemplated by this Agreement, including, if determined to be desirable by IPC, acting reasonably, by using a proxy solicitation agent for such purpose.

The Joint Information Circular in respect of the IPC Shareholders' Meeting shall provide that the requisite approval for the IPC Share Issuance Resolution shall be greater than 50% of the votes cast on the IPC Share Issuance Resolution by IPC Shareholders present in person or represented by proxy at the IPC Shareholders' Meeting (and that each IPC Shareholder is entitled to one vote for each IPC Share held).

IPC shall use its commercially reasonable efforts to prepare and include in the Joint Information Circular and the IPC Swedish Prospectus the IPC Information required on its behalf to be included in the Joint Information Circular and the IPC Swedish Prospectus, as applicable, and to, in cooperation with BlackPearl, prepare, print and mail, directly and indirectly, the Joint Information Circular and related material to the IPC Shareholders as soon as practicable following the date of this Agreement. IPC shall give BlackPearl and its legal counsel a reasonable opportunity to review and comment on the drafts of the Joint Information Circular, the IPC Swedish Prospectus and other related documents, and shall give reasonable consideration to any comments made by BlackPearl and its counsel relating to the disclosure contained therein, and agrees that all BlackPearl Information and information regarding the Arrangement included in the Joint Information Circular or the IPC Swedish Prospectus must be in content satisfactory to BlackPearl, acting reasonably. As of the date the Joint Information Circular is first mailed to the BlackPearl Shareholders and the IPC Shareholders and the date of any BlackPearl Shareholders' Meeting and any IPC Shareholders' Meeting, the IPC Information included (or incorporated by reference) in the Joint Information Circular and IPC Swedish Prospectus (as of the date of the IPC Swedish Prospectus only) shall be complete and correct in all material respects, shall not contain any Misrepresentation and shall comply in all material respects with all applicable Laws. IPC agrees to promptly correct any IPC Information in the Joint Information Circular or the IPC Swedish Prospectus which shall have become false or misleading at any time prior to any BlackPearl Shareholders' Meeting or any IPC Shareholders' Meeting. Without limiting the generality of the foregoing, IPC shall ensure that the Joint Information Circular provides holders of IPC Shares with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the IPC Shareholders' Meeting and contains the unanimous recommendation of the IPC Board that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution.

IPC agrees to indemnify and save harmless BlackPearl and its Representatives from and against any and all liabilities, losses, damages, claims, costs, reasonable expenses, interest awards, judgments and penalties suffered or incurred by any of them in connection with or as a result of any Misrepresentation in any of the IPC Information.

2.5 Obligations of BlackPearl Regarding Court Matters and BlackPearl Shareholders' Meeting Matters

Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement, BlackPearl shall take all actions and do all things necessary or desirable, in accordance with all applicable Laws, to:

- (a) make and diligently prosecute an application to the Court for the Interim Order in respect of the Arrangement;

- (b) in accordance with the terms of and the procedures contained in the Interim Order, duly call, give notice of, convene and hold the BlackPearl Shareholders' Meeting as promptly as practicable, and in any event not later than December 14, 2018 (subject to any adjournment or postponement required or permitted by this Agreement) and with a record date not later than November 14, 2018, to vote upon the BlackPearl Arrangement Resolution and any other matters as may be properly brought before such meeting (provided that, except as otherwise required by Law, BlackPearl will not propose or submit for consideration at the BlackPearl Shareholders' Meeting any business other than the approval of the Arrangement and the BlackPearl Arrangement Resolution without the prior written consent of IPC);
- (c) solicit proxies of BlackPearl Shareholders in favour of the BlackPearl Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the BlackPearl Arrangement Resolution and the completion of any transactions contemplated by this Agreement, including, if determined to be desirable by BlackPearl, using a proxy solicitation agent for such purpose and cooperating with any Persons engaged by IPC to solicit proxies in favour of the approval of the IPC Share Issuance Resolution;
- (d) subject to obtaining the approvals as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take all steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order as soon as reasonably practicable, but in any event not later than the third business day after the later of (i) the date on which the BlackPearl Arrangement Resolution is passed at the BlackPearl Shareholders' Meeting and (ii) the date on which the IPC Share Issuance Resolution is passed at the IPC Shareholder's Meeting; and
- (e) deliver the Articles of Arrangement to the Director upon satisfaction or waiver of the conditions set forth in Article 6, as provided for in Section 2.10.

BlackPearl shall use its commercially reasonable efforts to prepare and include in the Joint Information Circular and the IPC Swedish Prospectus the BlackPearl Information required on its behalf to be included in the Joint Information Circular and the IPC Swedish Prospectus and to, in cooperation with IPC, prepare, print and mail, directly and indirectly, the Joint Information Circular and related material to the BlackPearl Shareholders as soon as practicable following the date of this Agreement. BlackPearl shall give IPC and its legal counsel a reasonable opportunity to review and comment on the drafts of the Joint Information Circular and other related documents, and shall give reasonable consideration to any comments made by IPC and its counsel relating to the disclosure contained therein, and agrees that all IPC Information and information regarding the Arrangement included in the Joint Information Circular or the IPC Swedish Prospectus must be in content satisfactory to IPC, acting reasonably. As of the date the Joint Information Circular is first mailed to the BlackPearl Shareholders and the IPC Shareholders and the date of any BlackPearl Shareholders' Meeting and any IPC Shareholders' Meeting, the BlackPearl Information included (or incorporated by reference) in the Joint Information Circular or the IPC Swedish Prospectus (as of the date of the IPC Swedish Prospectus only) shall be complete and correct in all material respects, shall not contain any Misrepresentation and shall comply in all material respects with all applicable Laws. BlackPearl agrees to promptly correct any BlackPearl Information in the Joint Information Circular or the IPC Swedish Prospectus which shall have become false or misleading at any time prior to any BlackPearl Shareholders' Meeting or any IPC Shareholders' Meeting. Without limiting the generality of the foregoing, BlackPearl shall ensure that the Joint Information Circular provides BlackPearl Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the BlackPearl Shareholders' Meeting and contains the unanimous recommendation of the BlackPearl Board that the BlackPearl Shareholders vote in favour of the BlackPearl Arrangement Resolution.

BlackPearl agrees to indemnify and save harmless IPC and its Representatives from and against any and all liabilities, losses, damages, claims, costs, reasonable expenses, interest awards, judgments

and penalties suffered or incurred by any of them in connection with or as a result of any Misrepresentation in any of the BlackPearl Information.

2.6 Interim Order

The application referred to in Section 2.5(a) shall request that the Interim Order provide, among other things:

- (a) for the classes of Persons to whom notice is to be provided in respect of the Arrangement and the BlackPearl Shareholders' Meeting and for the manner in which such notice is to be provided;
- (b) that the requisite approval for the BlackPearl Arrangement Resolution to be placed before the BlackPearl Shareholders at the BlackPearl Shareholders' Meeting shall be 66 ²/₃% of the votes cast on the BlackPearl Arrangement Resolution by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Shareholders' Meeting (and that each BlackPearl Shareholder is entitled to one vote for each BlackPearl Share held) and, if required under Canadian Securities Laws, by a majority of the votes cast on the BlackPearl Arrangement Resolution by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Shareholders' Meeting after excluding the votes of those Persons whose votes are required to be excluded under MI 61-101;
- (c) that, in all other material respects, the terms, restrictions and conditions of the constating documents of BlackPearl, including quorum requirements and all other matters, shall apply in respect of the BlackPearl Shareholders' Meeting;
- (d) for the grant of the Dissent Rights to the registered BlackPearl Shareholders as set forth in the Plan of Arrangement;
- (e) that the BlackPearl Shareholders' Meeting may be adjourned or postponed from time to time by BlackPearl in accordance with the terms of this Agreement without the need for additional approval of the Court;
- (f) confirmation of the record date for the purposes of determining the BlackPearl Shareholders entitled to receive material and vote at the BlackPearl Shareholders' Meeting in accordance with the Interim Order;
- (g) that the record date for BlackPearl Shareholders entitled to notice of and to vote at the BlackPearl Shareholders' Meeting will not change in respect of any adjournment(s) or postponement(s) of the BlackPearl Shareholders' Meeting;
- (h) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and
- (i) for such other matters as the Parties may agree in writing, each acting reasonably.

In the application referred to in Section 2.5(a), BlackPearl shall inform the Court that the Parties intend to rely on the exemption provided by Section 3(a)(10) of the U.S. Securities Act for the issuance of the IPC Shares pursuant to the Arrangement and that, in connection therewith, the Court will be required to approve the substantive and procedural fairness of the terms and conditions of the Arrangement to each Person to whom IPC Shares will be issued. Each Person to whom IPC Shares will be issued on completion of the Arrangement will be given adequate notice advising them of their right to attend and appear before the Court at the hearing of the Court for the Final Order and providing them with adequate information to enable such Person to exercise such right.

2.7 Conduct of IPC Shareholders' Meeting

- (a) Subject to the terms of this Agreement, IPC agrees to convene and conduct the IPC Shareholders' Meeting in accordance with its constating documents and applicable Laws, and agrees not to propose to adjourn or postpone the meeting without the prior consent of BlackPearl, acting reasonably:
 - (i) except as required for quorum purposes (in which case the meeting shall be adjourned and not cancelled) or by applicable Law or by a Governmental Entity;
 - (ii) except as required under Section 6.4; or
 - (iii) except for an adjournment at the request of BlackPearl for the purpose of attempting to obtain the requisite approval for the IPC Share Issuance Resolution.
- (b) IPC shall advise BlackPearl as reasonably requested, and on a daily basis on each of the last seven business days prior to the date of the IPC Shareholders' Meeting, as to the aggregate tally of the proxies and votes received in respect of such meeting and all matters to be considered at such meeting.
- (c) IPC shall advise BlackPearl of any written communication received after the date of this Agreement from any IPC Shareholder or other Person in opposition to the IPC Share Issuance Resolution.

2.8 Conduct of BlackPearl Shareholders' Meeting

- (a) Subject to the terms of this Agreement and the Interim Order, BlackPearl agrees to convene and conduct the BlackPearl Shareholders' Meeting in accordance with its constating documents and applicable Laws and the Interim Order, and agrees not to propose to adjourn or postpone the meeting without the prior consent of IPC, acting reasonably:
 - (i) except as required for quorum purposes (in which case the meeting shall be adjourned and not cancelled) or by applicable Law or by a Governmental Entity;
 - (ii) except as required under Section 6.4 or Section 7.1(c); or
 - (iii) except for an adjournment at the request of IPC for the purpose of attempting to obtain the requisite approval for the BlackPearl Arrangement Resolution.
- (b) Notwithstanding the receipt by BlackPearl of a Superior Proposal in accordance with Section 7.1, unless otherwise agreed to in writing by IPC or unless this Agreement is terminated in accordance with its terms or except as required by applicable Law or by a Governmental Entity, BlackPearl shall continue to take all steps reasonably necessary to hold the BlackPearl Shareholders' Meeting and to cause the BlackPearl Arrangement Resolution to be voted on at the BlackPearl Shareholders' Meeting and shall not propose to adjourn or postpone the BlackPearl Shareholders' Meeting other than as contemplated by Section 2.8(a).
- (c) BlackPearl shall advise IPC as reasonably requested, and on a daily basis on each of the last seven business days prior to the date of the BlackPearl Shareholders' Meeting, as to the aggregate tally of the proxies and votes received in respect of such meeting and all matters to be considered at such meeting.

- (d) BlackPearl shall advise IPC of any written communication received after the date of this Agreement from any BlackPearl Shareholder or other Person in opposition to the BlackPearl Arrangement Resolution or any written notice of dissent, purported dissent exercise or withdrawal of Dissent Rights by a BlackPearl Shareholder, and written communications sent by or on behalf of BlackPearl to any BlackPearl Shareholder exercising or purporting to exercise Dissent Rights.
- (e) BlackPearl shall not make any payment or settlement offer, or agree to any payment or settlement, prior to the Effective Time with respect to the Dissent Rights without the prior written consent of IPC, acting reasonably.

2.9 Court Proceedings

BlackPearl will provide IPC and its legal counsel with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, including by providing on a timely basis a description of any information required to be supplied by IPC for inclusion in such material, prior to the service and filing of that material, and will accept the reasonable comments of IPC and its legal counsel with respect to any such information required to be supplied by IPC and included in such material and any other matters contained therein. BlackPearl will ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, BlackPearl will not object to legal counsel to IPC making submissions on the application for the Interim Order and the application for the Final Order as such legal counsel considers appropriate, provided such submissions are consistent with this Agreement and the Plan of Arrangement. BlackPearl will also provide legal counsel to IPC on a timely basis with copies of any notice and evidence served on BlackPearl or its legal counsel in respect of the application for the Interim Order or Final Order or any appeal therefrom. Subject to applicable Laws, BlackPearl will not file any material with, or make any submissions to, the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated hereby or with IPC's prior written consent, such consent not to be unreasonably withheld or delayed; provided that nothing herein shall require IPC to agree or consent to any increased purchase price or other consideration or other modification or amendment to such filed or served materials that expands or increases IPC's obligations set forth in any such filed or served materials or under this Agreement where such other modification or amendment is not immaterial. BlackPearl shall oppose any proposal from any Person that would result in the Interim Order or Final Order containing any provisions inconsistent with this Agreement.

2.10 Effective Date

The Arrangement shall become effective at the Effective Time. Upon issuance of the Final Order and subject to the satisfaction or waiver of the conditions precedent in Article 6, each of IPC and BlackPearl shall, as soon as practicable, execute and deliver such closing documents and instruments and BlackPearl shall proceed to file the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement with the Director pursuant to Section 192 of the CBCA no later than the fifth business day following the satisfaction or waiver of such conditions precedent (other than the conditions precedent that by their terms are to be satisfied as of the Effective Date) or such other date as agreed to in writing by the Parties, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any further act or formality.

2.11 Board of Directors of IPC

The Parties agree that IPC shall appoint John Festival to the IPC Board concurrently with the completion of the Arrangement to serve until the next annual meeting of IPC Shareholders or until his successor is duly appointed.

2.12 BlackPearl Employee Obligations

- (a) The Parties acknowledge and agree that the Arrangement will result in a "change of control" for the purposes of the BlackPearl Employment Agreements.
- (b) The Parties acknowledge that (i) IPC will appoint Ed Sobel (as Vice-President, Exploration of IPC) and Chris Hogue (as Senior Vice-President, Canada of IPC) as officers of IPC concurrently with completion of the Arrangement and (ii) John Festival and Don Cook have agreed to serve as consultants to IPC for a limited period following completion of the Arrangement, and, in connection therewith, such Persons have, for good and valuable consideration, agreed to waive or defer the BlackPearl Employee Obligations payable in connection with the Arrangement, pursuant to the terms and conditions set forth in the BlackPearl Employee Offer Letters, and, accordingly, no BlackPearl Employee Obligations under the BlackPearl Employment Agreements are payable by BlackPearl on the Effective Date.
- (c) The BlackPearl Disclosure Letter sets forth details of the BlackPearl Employee Obligations which would otherwise be payable pursuant to the BlackPearl Employment Agreements, including: (i) the name of each individual which would have been entitled to a "change of control" payment pursuant to the BlackPearl Employment Agreements; (ii) the name and date of the agreement under which such payment arises; (iii) the total amount of the payment to which each individual would have been entitled to, including any earned but unpaid bonuses pursuant to the applicable BlackPearl Employee Plan; and (iv) the method of calculating such payment or estimated payment.

2.13 Treatment of BlackPearl Incentive Awards

- (a) The Parties acknowledge and agree that the Arrangement will result in a "change of control" for purposes of the BlackPearl LTI Plans. The BlackPearl Board shall, notwithstanding any provision of any of the BlackPearl LTI Plans to the contrary, approve the vesting of all outstanding BlackPearl Incentive Awards effective immediately prior to the Effective Time and conditional upon the subsequent consummation of the Arrangement, and such other matters as may be necessary in order that all such outstanding BlackPearl Incentive Awards will be fully vested and, where applicable, exercisable immediately prior to the Effective Time.
- (b) All of the BlackPearl Options and BlackPearl RSUs outstanding prior to the Effective Date shall be deemed to have been exercised or surrendered in accordance with the Plan of Arrangement.
- (c) The BlackPearl Disclosure Letter includes particulars of all BlackPearl Incentive Awards outstanding as of the date hereof, including: (i) the names of the holders of BlackPearl Incentive Awards and the number of BlackPearl Incentive Awards held by them; (ii) the date of issuance; (iii) the scheduled date of vesting and/or expiry of such BlackPearl Incentive Awards, as applicable; (iv) the exercise price of each BlackPearl Option; and (v) subject to exercise on a cashless basis, the estimated number of BlackPearl Shares issuable to each holder of BlackPearl Options and BlackPearl RSUs and the estimated withholding tax related thereto.
- (d) Subject to Section 2.13(e), BlackPearl shall be exclusively responsible for any withholding obligations of Taxes from any amounts paid for the BlackPearl Employee Obligations at or prior to the Effective Time and in connection with the exercise or settlement, as applicable, of any BlackPearl Incentive Awards (whether pursuant to this Section 2.13 or otherwise), and BlackPearl shall deliver the consideration for the foregoing net of such amounts to BlackPearl Employees and holders of BlackPearl Incentive Awards, as applicable. Any such amounts deducted, withheld and remitted by

BlackPearl will be treated for all purposes under this Agreement as having been paid to the BlackPearl Employees and holders of BlackPearl Incentive Awards, as applicable, in respect of which such deduction, withholding and remittance was made, provided that such deducted and withheld amounts are actually remitted to the appropriate Governmental Entity.

- (e) The Parties agree that satisfaction of the Tax remittance obligation in connection with the exercise or surrender of BlackPearl Incentive Awards may also be accomplished by way of the withholding by BlackPearl or IPC from the IPC Shares received under the Arrangement of such number of IPC Shares as may be determined by IPC, in its sole discretion, to be necessary to satisfy the Tax remittance obligation of such BlackPearl Incentive Awards. BlackPearl and/or IPC may sell any such withheld IPC Shares, as trustee for any holders of BlackPearl Incentive Awards to satisfy the remittance obligation and, in connection with such exercise or surrender, the holder of the BlackPearl Incentive Awards shall consent to the sale and grant to BlackPearl and/or IPC, as trustee for the holder of the BlackPearl Incentive Awards, an irrevocable power of attorney to effect the sale of such IPC Shares. Any IPC Shares withheld shall be sold through the facilities of the TSX and the funds used to satisfy the remittance obligation.

2.14 Tax Matters

IPC and BlackPearl shall be entitled to deduct and withhold from any amount otherwise payable to any BlackPearl Shareholder and, for greater certainty, from any amount payable to a BlackPearl Shareholder who has validly exercised, and not withdrawn, Dissent Rights, under the Plan of Arrangement such amounts as IPC or BlackPearl, as the case may be, is required or reasonably believes is required to deduct and withhold from such consideration in accordance with applicable Laws. Any such amounts will be deducted, withheld and remitted from the consideration payable pursuant to the Plan of Arrangement and shall be treated for all purposes as having been paid to the BlackPearl Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Entity.

2.15 Shareholder Communications

IPC and BlackPearl agree to co-operate and, as may be reasonably requested by the other Party, participate in presentations to investors regarding the Arrangement and to promptly advise, consult and co-operate with each other in issuing any press releases or otherwise making public statements with respect to this Agreement or the Arrangement and, subject to Section 5.3, in making any filing with any Governmental Entity or with any stock exchange, including the Exchanges, with respect thereto. Each Party shall use all commercially reasonable efforts to enable the other Party to review and comment on all such presentations and press releases prior to the use or release thereof, as applicable, and shall enable the other Party to review and comment on such filings prior to the filing thereof; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make disclosure in accordance with applicable Laws, and if such disclosure is required and the other Party has not reviewed or commented on the disclosure, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other Party, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing. The Parties agree to issue jointly a press release with respect to this Agreement immediately after its due execution. For the avoidance of doubt, the foregoing shall not prevent either Party from making internal announcements to employees and having discussions with its shareholders, financial analysts or other stakeholders, provided that such statements and announcements are consistent with the press releases, public disclosures or public statements made by the Parties.

2.16 U.S. Securities Laws

The Arrangement shall be structured and executed such that, assuming the Court considers the fairness of the terms and conditions of the Arrangement and grants the Final Order, the issuance of the

IPC Shares issuable to BlackPearl Shareholders under the Arrangement will not require registration under the U.S. Securities Act, in reliance upon Section 3(a)(10) thereof. Each Party agrees to act in good faith, consistent with the intent of the Parties and the intended treatment of the Arrangement as set forth in this Section 2.16.

2.17 Swedish Securities Laws

The Arrangement shall be structured and executed such that, assuming the Court considers the fairness of the terms and conditions of the Arrangement and grants the Final Order, the issuance of the IPC Shares issuable to holders of BlackPearl Swedish Depositary Receipts under the Arrangement will, to the fullest extent possible under applicable Laws and using commercially reasonable efforts, taking into account that the BlackPearl Swedish Depositary Receipts are registered with Euroclear Sweden AB and listed on Nasdaq, be treated in the same manner as the BlackPearl Shareholders. Each Party agrees to act in good faith, consistent with the intent of the Parties and the intended treatment of the Arrangement as set forth in this Section 2.17.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF IPC

3.1 Representations and Warranties

IPC hereby makes to BlackPearl the representations and warranties set forth in Schedule C hereto and acknowledges that BlackPearl is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement.

3.2 Investigation

Any investigation by BlackPearl and its advisors shall not mitigate, diminish or affect the representations and warranties of IPC pursuant to this Agreement.

3.3 Survival of Representations and Warranties

The representations and warranties of IPC contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Date and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BLACKPEARL

4.1 Representations and Warranties

BlackPearl hereby makes to IPC the representations and warranties set forth in Schedule D hereto and acknowledges that IPC is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement.

4.2 Investigation

Any investigation by IPC and its advisors shall not mitigate, diminish or affect the representations and warranties of BlackPearl pursuant to this Agreement.

4.3 Survival of Representations and Warranties

The representations and warranties of BlackPearl contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Date and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 5
COVENANTS AND ADDITIONAL AGREEMENTS

5.1 Covenants of IPC

IPC covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, unless otherwise (i) consented to in writing by BlackPearl (such consent to be subject to applicable Law and not to be unreasonably withheld, conditioned or delayed); (ii) required by applicable Laws; (iii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iv) disclosed in the IPC Disclosure Letter:

- (a) the business of IPC and its Subsidiaries shall be conducted only in, and IPC and its Subsidiaries shall not take any action except in, the ordinary course of business consistent with past practice, and IPC shall use all commercially reasonable efforts to maintain and preserve its and their business organization, assets, employees and advantageous business relationships;
- (b) IPC shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:
 - (i) amend IPC's constating documents or amend in any material respect the constating documents of any of its Subsidiaries;
 - (ii) except in relation to internal transactions solely involving IPC and its wholly-owned Subsidiaries or among such Subsidiaries declare, set aside or pay any dividend or other distribution or payment in cash, shares or property in respect of its shares owned by any Person, other than in the ordinary course of business consistent with past practice;
 - (iii) other than in ordinary course of business consistent with past practice or in relation to: (A) internal transactions solely involving IPC and its wholly-owned Subsidiaries or solely among such Subsidiaries and (B) IPC Shares issuable pursuant to the terms of outstanding IPC Incentive Awards (as disclosed in the IPC Disclosure Letter), issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares of IPC or any of its Subsidiaries, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of IPC or any of its Subsidiaries;
 - (iv) split, consolidate, redeem, purchase or otherwise acquire any of the outstanding shares or other securities of IPC or any of its Subsidiaries;
 - (v) amend the terms of any of the securities of IPC or any of its Subsidiaries;
 - (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of IPC or any of its Subsidiaries; or
 - (vii) authorize, agree, resolve, commit or propose any of the foregoing, or enter into, modify or terminate any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;
- (c) IPC shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:
 - (i) sell, pledge, dispose of or encumber any assets of IPC or any of its Subsidiaries with a value individually or in the aggregate exceeding \$10.0 million;

- (ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof or make any investment either by purchase of shares or securities, contributions of capital (other than to wholly owned Subsidiaries) or purchase of any property or assets of any other individual or entity with a value individually or in the aggregate exceeding \$10.0 million;
 - (iii) other than in the ordinary course of business consistent with past practice, incur any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or entity, or make any loans or advances;
 - (iv) other than as disclosed in the IPC Disclosure Letter, extend the maturity of any indebtedness for borrowed money or any other liability or obligation;
 - (v) pay, discharge or satisfy any claims, liabilities or obligations (including any regulatory investigation) which are material to the business of IPC, other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in IPC's most recently publicly filed financial statements as of the date hereof or incurred in the ordinary course of business consistent with past practice;
 - (vi) waive, release or relinquish, or authorize or propose to do so, any contractual right which is material to the business of IPC and its Subsidiaries, taken as a whole, other than in the ordinary course of business consistent with past practice;
 - (vii) waive, release, grant or transfer any rights of value or modify, amend or change any existing license, agreement, lease, contract or other document which is material to the business of IPC and its Subsidiaries, taken as a whole, other than in the ordinary course of business consistent with past practice;
 - (viii) other than in the ordinary course of business consistent with past practice, enter into or terminate any hedges, swaps or other financial instruments or like transaction; or
 - (ix) authorize, agree, resolve, commit or propose to do any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (d) except for (i) the aggregate amount and for the specified purposes set forth in IPC's previously approved 2018 capital budget (a true and complete copy of which is disclosed in the IPC Disclosure Letter), as revised (which revisions are described in the press release of IPC dated August 7, 2018) and (ii) capital expenditures necessary to address emergencies or other urgent matters involving actual or potential loss or damage to property, or threats to human safety or the environment, IPC and its Subsidiaries shall not incur or commit to capital expenditures prior to the Effective Date;
- (e) IPC will deliver to BlackPearl, as soon as they become available, true and complete copies of any material documents, reports, communications or statements which relate to IPC and its Subsidiaries and are from or required to be filed by IPC with any Governmental Entity subsequent to the date hereof. As of their respective dates, such documents, reports, communications and statements (excluding any information therein provided by BlackPearl, as to which IPC makes no representation) will not contain any Misrepresentation and will comply in all material respects with all applicable Laws;

- (f) IPC shall continue to withhold from each payment to be made to any of its present or former officers, directors or employees and to all other Persons, including, without limitation, all Persons who are non-residents of Canada for the purposes of the Tax Act, all amounts that are required to be so withheld by applicable Laws and IPC shall remit such withheld amounts to the proper Governmental Entity within the times prescribed by such applicable Laws;
- (g) IPC shall not settle or compromise any claim (i) material to its business or (ii) brought by any present, former or purported holder of its securities (in such Person's capacity as such) in connection with the transactions contemplated by this Agreement or the Arrangement prior to the Effective Date, without the prior written consent of BlackPearl;
- (h) IPC will make all necessary filings and applications under applicable Laws, including applicable Securities Laws, required to be made on the part of IPC in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in compliance with such applicable Laws;
- (i) IPC shall apply to list the IPC Shares issuable pursuant to the Arrangement on the Exchanges, and shall use its commercially reasonable efforts to obtain approval, subject to customary conditions, for the listing of such IPC Shares on the Exchanges;
- (j) IPC shall ensure that it has available funds to permit the payment of any amount that may become payable under Section 8.4, having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount if and when required;
- (k) IPC shall not agree, resolve, commit or undertake to do any of the matters prohibited in this Section 5.1; and
- (l) If any Lenders' Approvals are not obtained or not reasonably obtainable, and provided that at such time BlackPearl is in compliance with its obligations under Section 5.3(a)(i) and Section 5.5, IPC shall use its commercially reasonable efforts to refinance the IPC Credit Facilities, BlackPearl Credit Facilities or the BlackPearl Notes, to the extent that a Lenders' Approval has not been obtained in respect thereof, such that on or after the Effective Time IPC will utilize the net proceeds of such refinancing to repay, redeem or repurchase, as applicable, the IPC Credit Facilities, BlackPearl Credit Facilities and/or the BlackPearl Notes, as applicable (the "**Refinancing**").

Nothing in this Agreement is intended to or shall result in BlackPearl exercising material influence over the operations of IPC, particularly in relation to operations in which the Parties compete or would compete, but for this Agreement, with each other, prior to the Effective Date.

5.2 Covenants of BlackPearl

BlackPearl covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, unless otherwise (i) consented to in writing by IPC (such consent to be subject to applicable Law and not to be unreasonably withheld, conditioned or delayed); (ii) required by applicable Laws; (iii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iv) disclosed in the BlackPearl Disclosure Letter:

- (a) the business of BlackPearl and its Subsidiaries shall be conducted only in, and BlackPearl and its Subsidiaries shall not take any action except in, the ordinary course of business consistent with past practice, and BlackPearl shall use all commercially

reasonable efforts to maintain and preserve its and their business organization, assets, employees and advantageous business relationships;

- (b) BlackPearl shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:
- (i) amend BlackPearl's constating documents or amend in any material respect the constating documents of any of its Subsidiaries;
 - (ii) except in relation to internal transactions solely involving BlackPearl and its wholly-owned Subsidiaries or among such Subsidiaries declare, set aside or pay any dividend or other distribution or payment in cash, shares or property in respect of its shares owned by any Person, other than in the ordinary course of business consistent with past practice;
 - (iii) except in relation to: (A) internal transactions solely involving BlackPearl and its wholly-owned Subsidiaries or solely among such Subsidiaries and (B) BlackPearl Shares issuable pursuant to the terms of outstanding BlackPearl Incentive Awards (as disclosed in the BlackPearl Disclosure Letter and in accordance with Section 2.13), issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares of BlackPearl or any of its Subsidiaries, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of BlackPearl or any of its Subsidiaries;
 - (iv) split, consolidate, redeem, purchase or otherwise acquire any of the outstanding shares or other securities of BlackPearl or any of its Subsidiaries;
 - (v) amend the terms of any of the securities of BlackPearl or any of its Subsidiaries;
 - (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of BlackPearl or any of its Subsidiaries; or
 - (vii) authorize, agree, resolve, commit or propose any of the foregoing, or enter into, modify or terminate any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;
- (c) BlackPearl shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:
- (i) sell, pledge, dispose of or encumber any assets of BlackPearl or any of its Subsidiaries with a value individually or in the aggregate exceeding \$1.0 million;
 - (ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof or make any investment either by purchase of shares or securities, contributions of capital (other than to wholly owned Subsidiaries) or purchase of any property or assets of any other individual or entity with a value individually or in the aggregate exceeding \$2.0 million;
 - (iii) other than in the ordinary course of business consistent with past practice, incur any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligations of any other individual or entity, or make any loans or advances, provided that prior written notice of any of the foregoing has been provided to IPC;

- (iv) extend the maturity of any indebtedness for borrowed money or any other liability or obligation;
 - (v) pay, discharge or satisfy any claims, liabilities or obligations (including any regulatory investigation) which are material to the business of BlackPearl, other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in BlackPearl's most recently publicly filed financial statements as of the date hereof or incurred in the ordinary course of business consistent with past practice;
 - (vi) enter into or amend any contract with a term greater than three months or a value individually or in the aggregate exceeding \$2.0 million, unless the entry into of such contract is contemplated in BlackPearl's previously approved 2018 capital budget or has been disclosed in the BlackPearl Disclosure Letter;
 - (vii) waive, release or relinquish, or authorize or propose to do so, any contractual right which is material to the business of BlackPearl and its Subsidiaries, taken as a whole, other than in the ordinary course of business consistent with past practice;
 - (viii) except as disclosed in the BlackPearl Disclosure Letter, waive, release, grant or transfer any rights of value or modify, amend or change any existing license, agreement, lease, contract or other document which is material to the business of BlackPearl and its Subsidiaries, taken as a whole, other than in the ordinary course of business consistent with past practice;
 - (ix) enter into or terminate any hedges, swaps or other financial instruments or like transaction, other than as required pursuant to the BlackPearl Note Purchase Agreement and the BlackPearl Notes; or
 - (x) authorize, agree, resolve, commit or propose to do any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (d) except for (i) the aggregate amount and for the specified purposes set forth in BlackPearl's previously approved 2018 capital budget (a true and complete copy of which is disclosed in the BlackPearl Disclosure Letter) and (ii) capital expenditures necessary to address emergencies or other urgent matters involving actual or potential loss or damage to property, or threats to human safety or the environment, BlackPearl and its Subsidiaries shall not incur or commit to capital expenditures prior to the Effective Date;
- (e) BlackPearl shall not, and shall cause each of its Subsidiaries not to:
- (i) issue, award or grant any BlackPearl Incentive Awards or any securities or other instruments or equity-based compensation providing similar benefits;
 - (ii) except as may be required pursuant to existing employment, collective bargaining, pension, supplemental pension or termination policies or agreements (which have been described in the BlackPearl Disclosure Letter), grant to any officer, director, consultant or employee an increase in compensation or benefits in any form, make any loan to any officer, director or employee or grant or increase the amount or value of any change of control, severance, separation, retention or termination pay to, or enter into any employment, change of control, severance, retention or termination agreement with, any officer, director, consultant or employee of BlackPearl or any of its Subsidiaries;

- (iii) grant any general salary increases;
 - (iv) make any payment to any officer, director (other than fees payable to members of the BlackPearl Special Committee, as disclosed in the BlackPearl Disclosure Letter), consultant or employee outside of their ordinary and usual compensation for services provided; or
 - (v) enter into or modify any employment agreement with any officer, director or other employees of BlackPearl or of any of its Subsidiaries or enter into any agreements with any consultants that are not terminable with 30 days or less notice;
- (f) BlackPearl shall not, and the BlackPearl Board and its committees shall not, exercise any discretion which may be available to them under the terms of the BlackPearl LTI Plans, or any awards granted thereunder, except to provide for the exercise, vesting and payout of the BlackPearl Incentive Awards in accordance with Section 2.13 hereof;
- (g) neither BlackPearl nor any of its Subsidiaries shall:
- (i) adopt any additional benefit or similar plans which would be considered to be a BlackPearl Employee Plan once created;
 - (ii) amend, terminate, or make any contribution to any BlackPearl Employee Plan; or
 - (iii) enter into any collective bargaining or other union agreement;
- (h) BlackPearl shall use its commercially reasonable efforts (taking into account insurance market conditions and offerings and industry practices) to cause its and its Subsidiaries' current insurance (or re-insurance) policies, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, except where such cancellation, termination or lapse would not individually or in the aggregate be material to BlackPearl, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductibles and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;
- (i) BlackPearl will deliver to IPC, as soon as they become available, true and complete copies of any material documents, reports, communications or statements which relate to BlackPearl and its Subsidiaries and are from or required to be filed by BlackPearl with any Governmental Entity subsequent to the date hereof. As of their respective dates, such documents, reports, communications and statements (excluding any information therein provided by IPC, as to which BlackPearl makes no representation) will not contain any Misrepresentation and will comply in all material respects with all applicable Laws;
- (j) BlackPearl shall not, and shall not permit any of its Subsidiaries to:
- (i) file any amended Tax Returns;
 - (ii) change in any material respect any of its methods of reporting income or deductions for accounting or income tax purposes from those employed in the preparation of its income tax return for the taxation year ending December 31, 2017, except as may be required by applicable Law;
 - (iii) make or revoke any material election relating to Taxes;

- (iv) settle, compromise or agree to the entry of judgment with respect to any proceeding relating to Taxes, except for any settlement, compromise or agreement that is not material to BlackPearl;
 - (v) file any Tax Return other than in accordance with past practice;
 - (vi) enter into any Tax Sharing Agreement; or
 - (vii) make a request for a Tax ruling to any Governmental Entity;
- (k) BlackPearl shall continue to withhold from each payment to be made to any of its present or former officers, directors or employees and to all other Persons, including, without limitation, all Persons who are non-residents of Canada for the purposes of the Tax Act, all amounts that are required to be so withheld by applicable Laws and BlackPearl shall remit such withheld amounts to the proper Governmental Entity within the times prescribed by such applicable Laws;
- (l) BlackPearl shall not settle or compromise any claim (i) material to its business or (ii) brought by any present, former or purported holder of its securities (in such Person's capacity as such) in connection with the transactions contemplated by this Agreement or the Arrangement prior to the Effective Date, without the prior written consent of IPC;
- (m) BlackPearl will make all necessary filings and applications under applicable Laws, including applicable Securities Laws, required to be made on the part of BlackPearl in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in compliance with such applicable Laws;
- (n) BlackPearl shall, and shall cause its auditors to, provide IPC with such assistance as may be reasonably required in connection with the preparation of the IPC Swedish Prospectus and the applications for: (i) conditional approval of the listing of the IPC Shares issuable under the Arrangement on the TSX; and (ii) approval of the listing of the IPC Shares issuable under the Arrangement on Nasdaq;
- (o) BlackPearl shall ensure that it has available funds to permit the payment of any amount that may become payable under Section 8.3 or 8.4, as applicable, having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount if and when required;
- (p) BlackPearl shall use commercially reasonable efforts to obtain resignations and mutual releases (in a form satisfactory to IPC and such resigning person, each acting reasonably) from each of the directors, in their capacity as such, of BlackPearl and each of its Subsidiaries to be effective at the Effective Time; and
- (q) BlackPearl shall not agree, resolve, commit or undertake to do any of the matters prohibited in this Section 5.2.

Nothing in this Agreement is intended to or shall result in IPC exercising material influence over the operations of BlackPearl, particularly in relation to operations in which the Parties compete or would compete, but for this Agreement, with each other, prior to the Effective Date.

5.3 Mutual Covenants

Each of the Parties covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms:

- (a) subject to the terms and conditions of this Agreement (including Section 5.3(d)), it shall use its commercially reasonable efforts to, and shall cause its Subsidiaries to use their commercially reasonable efforts to, satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 6 and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under and in accordance with all applicable Laws to complete and give effect to the Arrangement as soon as reasonably practicable, including using its commercially reasonable efforts to promptly:
 - (i) obtain the Lenders' Approvals and all other necessary waivers, consents and approvals required to be obtained by it from parties to loan agreements, leases and other contracts, provided that, neither Party shall be required to, and shall not without the consent of the other Party, pay any fees, penalties or other charges in excess of the amounts payable pursuant to the waiver and consent expense indemnity or reimbursement obligations set forth in the agreements governing the IPC Credit Facilities and the BlackPearl Credit Facilities and the BlackPearl Note Purchase Agreement and the BlackPearl Notes;
 - (ii) obtain all necessary exemptions, consents, approvals and authorizations as are required to be obtained by it under all applicable Laws;
 - (iii) defend all lawsuits or other legal, regulatory or other proceedings against it (or if applicable, its directors or officers) challenging or affecting the Arrangement or this Agreement, and oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate, the Arrangement;
 - (iv) fulfill all conditions and satisfy all provisions of this Agreement and the Arrangement, including delivery of the certificates of their respective officers contemplated by Section 6.2 and Section 6.3; and
 - (v) carry out the terms of the Interim Order and the Final Order applicable to it and to comply promptly with all requirements imposed by applicable Laws on it or its Subsidiaries with respect to this Agreement or the Arrangement;
- (b) it shall cooperate with the other Party in connection with the performance by it and its Subsidiaries of their obligations under this Section 5.3, including providing regular status updates on its progress in obtaining any Regulatory Approval to the other Party as and when reasonably requested by the other Party, and permitting the other Party a reasonable opportunity to review in advance, and to provide comments on, any proposed communications of any nature with a Governmental Entity, which comments shall be considered and given due regard;
- (c) it shall use commercially reasonable efforts to, and shall cause its Subsidiaries to use commercially reasonable efforts to, satisfy (or cause the satisfaction of) the conditions precedent set forth in Section 6.1(e) and Section 6.1(f) including, subject to Section 5.3(d), using commercially reasonable efforts to:
 - (i) obtain all Regulatory Approvals;

- (ii) cooperate fully with the other Party and such other Party's counsel, recognizing that certain competitively sensitive information shall be exchanged only on an external counsel-only basis and in accordance with the Confidentiality Agreement;
 - (iii) as promptly as possible, but in any event within ten business days of the date hereof IPC shall prepare and make a submission to the Commissioner requesting the issuance of an advance ruling certificate under Section 102 of the Competition Act, or in the alternative, a no-action letter under Section 123 of the Competition Act, and a waiver under Section 113(c) of the Competition Act;
 - (iv) if requested in writing by either Party, each of the Parties shall submit a prescribed filing pursuant to Section 114(1) of the Competition Act within five business days after such request to make such filing;
 - (v) supply as promptly as practicable any additional information or documentary materials that may be required or as the Parties or their counsel agree may be advisable pursuant to the Competition Act or any similar Laws;
 - (vi) respond promptly to all requests for information made by a Governmental Entity in respect of obtaining a Regulatory Approval; and
 - (vii) prepare and file, as promptly as practicable, all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as practicable all consents, registrations, approvals and authorizations in respect of the Regulatory Approvals;
- (d) notwithstanding anything else in this Section 5.3, the Parties shall use commercially reasonable efforts to obtain the Regulatory Approvals and to remove each and every impediment under any Laws that may be asserted by any Governmental Entity so as to enable consummation of the Arrangement as soon as possible.
- (e) except as required by Law, it shall not engage in any meetings or communications with any Governmental Entity in relation to the Regulatory Approvals or the Arrangement, without counsel for the other Party being advised of such meetings or communications, having been given the opportunity to participate in such meetings or communications, and in any event shall immediately notify and provide copies to the other Party's counsel of any communications to or from a Governmental Entity in relation to the Arrangement;
- (f) it shall not deliberately take any action, refrain from taking any action or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Arrangement, or that will have, or would reasonably be expected to have, the effect of materially delaying, impairing or impeding the granting of the Regulatory Approvals;
- (g) except for non-substantive communications with securityholders, and subject to its obligations under Section 2.15, it shall furnish promptly to the other Party or its counsel, a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with: (i) the Arrangement; (ii) any filings under applicable Laws in connection with the transactions contemplated hereby; and (iii) any dealings with Governmental Entities in connection with the transactions contemplated hereby; and
- (h) it shall promptly notify the other Party in writing of any material change (actual, anticipated, contemplated or, to the knowledge of such Party, threatened, whether financial or otherwise) in its business, operations, results of operations, properties,

assets, liabilities (whether absolute, accrued, contingent or otherwise) or condition (financial or otherwise), or of any material complaints, investigations or hearings (or communications indicating that the same may be contemplated) by any Governmental Entity or third party relating to the transactions contemplated hereby.

5.4 Pre-Arrangement Reorganizations

- (a) Subject to Section 5.4(b), BlackPearl agrees that, upon request of IPC, BlackPearl shall use its commercially reasonable efforts to:
 - (i) perform such reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions as IPC may request, acting reasonably (each, a "**Pre-Arrangement Reorganization**");
 - (ii) cooperate with IPC and its advisors to determine the nature of the Pre-Arrangement Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken; and
 - (iii) cooperate with IPC and its advisors to seek to obtain consents or waivers which might be required from BlackPearl's lenders under the BlackPearl Credit Facility or the BlackPearl Note Purchase Agreement in connection with the Pre-Arrangement Reorganizations, if any, provided that any costs, fees or expenses associated therewith shall be at IPC's sole expense, whether such Pre-Arrangement Reorganizations are completed or not.

- (b) Notwithstanding the foregoing, BlackPearl will not be obligated to participate in any Pre-Arrangement Reorganization under Section 5.4(a) unless it determines to its satisfaction, acting reasonably that such Pre-Arrangement Reorganization:
 - (i) does not impair, impede, delay or prevent the satisfaction of any conditions set forth in Article 6, or the ability of BlackPearl or IPC to consummate, and will not materially delay the consummation of, the Arrangement;
 - (ii) does not require BlackPearl to obtain the approval of any BlackPearl Shareholders (or, after the mailing of the Joint Information Circular, any amendment thereto);
 - (iii) does not reduce or modify the consideration to be received under the Arrangement by any BlackPearl Shareholder;
 - (iv) does not impose any incremental Tax on BlackPearl, the BlackPearl Shareholders or the holders of the BlackPearl Incentive Awards;
 - (v) would not require BlackPearl to contravene any Laws;
 - (vi) will not have a Material Adverse Effect on BlackPearl or its Subsidiaries or their respective businesses or assets, and
 - (vii) is effected as close as reasonably practicable prior to the Effective Time.

- (c) IPC must provide written notice to BlackPearl of any proposed Pre-Arrangement Reorganization at least ten business days prior to the Effective Date. Upon receipt of such notice, BlackPearl and IPC shall work cooperatively and use their commercially reasonable efforts to prepare, prior to the Effective Time, all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-

Arrangement Reorganization, including any amendment to the Plan of Arrangement (provided that such amendments do not require BlackPearl to obtain approval of BlackPearl Shareholders).

- (d) IPC hereby waives any breach of a representation, warranty or covenant by BlackPearl, where such breach is a result of an action taken by BlackPearl or a Subsidiary in good faith pursuant to a request by IPC in accordance with this Section 5.4.

5.5 Financing Assistance

- (a) BlackPearl shall, and shall cause its Subsidiaries to, and shall use its commercially reasonable efforts to have its and their Representatives, provide such cooperation to IPC as IPC may reasonably request in connection with the arrangements by IPC to obtain new or amend any existing credit facilities or issue equity or debt securities publicly or privately, including, if applicable, the Refinancing, subject to the terms hereof (provided that (A) such request is made on reasonable notice, (B) such cooperation does not unreasonably interfere with the ongoing operations of BlackPearl and its Subsidiaries or unreasonably interfere with or hinder or delay the performance by BlackPearl or its Subsidiaries of their obligations hereunder, (C) BlackPearl shall not be required to provide, or cause any of its Subsidiaries to provide, cooperation that involves any binding commitment by BlackPearl or its Subsidiaries, which commitment is not conditional on the completion of the Arrangement and does not terminate without any liability to BlackPearl or its Subsidiaries upon the termination of this Agreement; and (D) any actions taken hereunder are in compliance with Sections 5.2 and 5.3), including one or more of the following cooperative actions as so requested:
 - (i) participating in meetings (including meetings with rating agencies), drafting sessions and due diligence sessions;
 - (ii) furnishing to IPC and its proposed lenders or underwriters with such financial and other pertinent information regarding BlackPearl as may be reasonably requested by IPC;
 - (iii) cooperating with IPC in connection with applications to obtain such consents, approvals or authorizations which may be reasonably necessary or desirable in connection with such financing;
 - (iv) where applicable, using its commercially reasonable efforts to obtain customary auditors' consent and comfort letters and other documentation and items relating to such securities issuance as reasonably requested by IPC and, if requested by IPC, to cooperate with and assist it in obtaining such documentation and items;
 - (v) executing and delivering, or where applicable, obtaining, any certificates, legal opinions or documents, as may be reasonably requested by IPC (including a certificate of the Chief Financial Officer of BlackPearl or any of its Subsidiaries with respect to consents of auditors for use of their reports in any materials relating to such securities issue); and
 - (vi) taking all corporate actions, to be effective at the Effective Time, requested by IPC that are necessary or customary to permit the consummation of such financing.
- (b) Notwithstanding Section 5.5(a), neither BlackPearl, nor any of its Subsidiaries shall be required by IPC to: (i) take any action or do anything that would (A) contravene any applicable Law, or (B) be capable of impairing or preventing the satisfaction of any

condition set forth in Article 6; (ii) commit to take any action that is not contingent on the consummation of the transactions contemplated by this Agreement at the Effective Time; (iii) pay any commitment, consent or other fee or incur any other liability in connection with such financing prior to the Effective Date; or (iv) except as required to comply with applicable Laws, disclose any information that in the reasonable judgment of such Party would violate any obligations of such Party or any other Person with respect to confidentiality.

5.6 Access to Information; Confidentiality

From the date hereof until the earlier of the Effective Date and the termination of this Agreement in accordance with its terms, BlackPearl shall, and shall cause its Subsidiaries and Representatives to, subject to all applicable Laws and any confidentiality obligations owed by BlackPearl to a third party or in respect of customer specific or competitively sensitive information and in accordance with the Confidentiality Agreement, afford to IPC and the Representatives of IPC reasonable access at all reasonable times to their officers, employees, agents, properties, books, records and contracts (but which shall not include any right of IPC's Representatives to attend BlackPearl's regular operations meetings), and shall furnish IPC with all data and information as IPC may reasonably request, subject to any confidentiality obligations owed by BlackPearl to a third party, in respect of customer specific or competitively sensitive information, the conditions contained in the Confidentiality Agreement, in order to permit IPC to be in a position to expeditiously and efficiently integrate the businesses and operations of IPC and BlackPearl immediately upon but not prior to the Effective Date.

5.7 Insurance and Indemnification

- (a) Prior to the Effective Time, BlackPearl shall obtain "run-off" directors' and officers' liability insurance, in a form acceptable to IPC, acting reasonably, providing coverage on a "trailing" or "run-off" basis for a period of six years from the Effective Time for all present and former directors and officers of BlackPearl with respect to claims arising from facts or events which occurred prior to the Effective Time, provided that the total cost of such policy shall not exceed 250% of the amount of the current annual premium in respect of BlackPearl's current policy.
- (b) IPC agrees that all rights to indemnification or exculpation now existing in favour of present and former directors and officers of BlackPearl shall survive completion of the Arrangement and shall continue in full force and effect for a period of not less than six years from the Effective Date.

5.8 Privacy Issues

- (a) For the purposes of this Section 5.8, the following definitions shall apply:
 - (i) "**applicable law**" means, in relation to any Person, transaction or event, all applicable provisions of Laws by which such Person is bound or having application to the transaction or event in question, including applicable privacy laws;
 - (ii) "**applicable privacy laws**" means any and all applicable laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable provincial law including the *Personal Information Protection Act* (Alberta);
 - (iii) "**authorized authority**" means, in relation to any Person, transaction or event, any (A) federal, provincial, municipal or local governmental body (whether

administrative, legislative, executive or otherwise), both domestic and foreign, (B) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (C) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (D) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, transaction or event; and

- (iv) **"Personal Information"** means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) about an identifiable individual disclosed or transferred to IPC by BlackPearl in accordance with this Agreement and/or as a condition of the Arrangement.
- (b) The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use or disclosure of Personal Information disclosed to either Party pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**").
- (c) Prior to the completion of the Arrangement, neither Party shall use or disclose the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement. After the completion of the transactions contemplated herein, a Party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates or for the completion of the transactions contemplated herein, unless (i) either Party shall have first notified such individual of such additional purpose and, where required by applicable law, obtained the consent of such individual to such additional purpose, or (ii) such use or disclosure is permitted or authorized by applicable law without notice to, or consent from, such individual.
- (d) Each Party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Arrangement, and that the Disclosed Personal Information relates solely to the carrying on of the business or the completion of the Arrangement.
- (e) Each Party acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with applicable law, prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.
- (f) Subject to the following provisions, each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Prior to the completion of the Arrangement, each Party shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective Party who have a *bona fide* need to access to such information in order to complete the Arrangement.

- (g) Where authorized by applicable law, each Party shall promptly notify the other Party to this Agreement of all inquiries, complaints, requests for access, variations or withdrawals of consent and claims of which the Party is made aware in connection with the Disclosed Personal Information. To the extent permitted by applicable law, the Parties shall fully cooperate with one another, with the persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, variations or withdrawals of consent and claims.
- (h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either Party, the other Party shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and will return to the requesting Party or, at the requesting Party's request, destroy in a secure manner the Disclosed Personal Information (and any copies thereof) in its possession.

ARTICLE 6 CONDITIONS

6.1 Mutual Conditions

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Interim Order shall have been obtained on terms consistent with the Arrangement and in form and substance satisfactory to each of the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;
- (b) the BlackPearl Arrangement Resolution shall have been passed by the BlackPearl Shareholders at the BlackPearl Shareholders' Meeting in accordance with the Interim Order;
- (c) the IPC Share Issuance Resolution shall have been passed by a majority of the votes cast by the IPC Shareholders at the IPC Shareholders' Meeting;
- (d) the Final Order shall have been obtained on terms consistent with the Arrangement and in form and substance satisfactory to each of the Parties, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;
- (e) the Competition Act Approval shall have been obtained and shall be in full force and effect;
- (f) all Regulatory Approvals (other than the Competition Act Approval) required to be obtained, or that the Parties mutually agree in writing to obtain in respect of the completion of the Arrangement, and the expiry of applicable waiting periods necessary to complete the Arrangement, shall have occurred or been obtained on terms and conditions acceptable to the Parties, each acting reasonably, and all applicable domestic and foreign statutory and regulatory waiting periods shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made, except where the failure or failures to obtain such Regulatory Approvals, or for the applicable waiting periods to have expired or terminated, would not

be reasonably expected to have a Material Adverse Effect on either of IPC (before or after completion of the Arrangement) or BlackPearl;

- (g) the conditional approval to the listing of the IPC Shares issuable pursuant to the Arrangement on the TSX shall have been obtained;
- (h) the approval to the listing of the IPC Shares issuable pursuant to the Arrangement on Nasdaq, as well as the registration of the IPC Swedish Prospectus by the Swedish Financial Supervisory Authority, shall have been obtained;
- (i) (i) all Lenders' Approvals shall have been obtained on terms satisfactory to each of the Parties, acting reasonably, (ii) arrangements shall be in place to effect the Refinancing on the Effective Time or (iii) arrangements shall be in place to effect the Refinancing within a reasonable time following the Effective Time, provided that the applicable lenders subject to such Refinancing have provided reasonable assurances that they will not, within such period, enforce any rights or remedies available to them on account of the Lenders' Approvals not being obtained to provide a reasonable amount of time for a Refinancing to occur;
- (j) no Law (whether temporary, preliminary or permanent) shall be in effect or shall have been enacted, promulgated, amended or applied by any Governmental Entity, which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins IPC or BlackPearl from consummating the Arrangement;
- (k) no act, action, suit, proceeding, objection, opposition, order or injunction shall have been taken, entered or promulgated by or before any Governmental Entity or by any elected or appointed public official in Canada or elsewhere or by any other Person, whether or not having the force of Law, which: (i) prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins IPC or BlackPearl from consummating the Arrangement; or (ii) enjoins or prohibits, or imposes material adverse conditions or terms on, the right of IPC to own or exercise full ownership of the BlackPearl Shares upon completion of the Arrangement or the ownership or operation of the business, or any material assets, of BlackPearl; and
- (l) holders of not more than 5% of the outstanding BlackPearl Shares shall have validly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date.

6.2 IPC Conditions

The obligation of IPC to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) the representations and warranties made by BlackPearl:
 - (i) in paragraphs (b), (j), (l) and (s)(iii) of Schedule D hereto shall be true and correct in all respects as of the date of this Agreement and the Effective Date as if made on and as of such date (except, it being understood that the number of BlackPearl Shares outstanding as described in paragraph (j) of Schedule D hereto may increase from the number outstanding on the date of this Agreement solely as a result of the exercise or settlement, as applicable of BlackPearl Incentive Awards into BlackPearl Shares, but only to the extent that such BlackPearl Incentive Awards are specifically described in paragraph (j) of

Schedule D hereto, and that the number of BlackPearl RSUs may change due to their vesting, expiry or termination in accordance with their terms); and

- (ii) in the remainder of this Agreement shall be true and correct as of the date of this Agreement and the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of such earlier date), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change in respect of BlackPearl and its Subsidiaries, taken as a whole (and for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored),

and BlackPearl shall have provided to IPC a certificate of two executive officers of BlackPearl (on behalf of BlackPearl and without personal liability) certifying the foregoing on the Effective Date;

- (b) BlackPearl shall have complied in all material respects with its covenants herein to be complied with by it on or prior to the Effective Time, and BlackPearl shall have provided to IPC a certificate of two executive officers of BlackPearl (on behalf of BlackPearl and without personal liability) certifying compliance with such covenants on the Effective Date; and
- (c) no Material Adverse Change in respect of BlackPearl and its Subsidiaries, taken as a whole, shall have occurred after the date hereof.

The conditions set forth in this Section 6.2 are for the exclusive benefit of IPC and may be asserted by IPC regardless of the circumstances or may be waived in writing by IPC in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which IPC may have.

6.3 BlackPearl Conditions

The obligation of BlackPearl to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) the representations and warranties made by IPC:
 - (i) in paragraphs (b), (j) and (s)(iii) of Schedule C hereto shall be true and correct in all respects as of the date of this Agreement and the Effective Date as if made on and as of such date;
 - (ii) in the remainder of this Agreement shall be true and correct as of the date of this Agreement and the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of such earlier date), except where the failure of such representations and warranties to be true and complete, individually or in the aggregate, would not result or would not reasonably be expected to result in a Material Adverse Change in respect of IPC and its Subsidiaries, taken as a whole (and for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored),

and IPC shall have provided to BlackPearl a certificate of two executive officers of IPC (on behalf of BlackPearl and without personal liability) certifying the foregoing on the Effective Date;

- (b) IPC shall have complied in all material respects with its covenants herein to be complied with by it on or prior to the Effective Time, and IPC shall have provided to BlackPearl a certificate of two executive officers of IPC (on behalf of IPC and without personal liability) certifying compliance with such covenants on the Effective Date; and
- (c) no Material Adverse Change in respect of IPC and its Subsidiaries, taken as a whole, shall have occurred after the date hereof.

The conditions set forth in this Section 6.3 are for the exclusive benefit of BlackPearl and may be asserted by BlackPearl regardless of the circumstances or may be waived by BlackPearl in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which BlackPearl may have.

6.4 Notice and Cure Provisions

Each Party shall give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event, state of facts, circumstance or change in circumstances (actual, anticipated, contemplated or, to the knowledge of such Party, threatened) which would, or would reasonably be expected to:

- (a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect at any time from the date hereof to the Effective Date (or, in the case of any representations or warranties that are not subject to materiality qualifications in respect of the conditions contained in Section 6.2(a) or Section 6.3(a), as applicable, cause any of such representations or warranties of such Party to be untrue or inaccurate in any respect); or
- (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party,

and it shall, in good faith, discuss with the other Party the event, state of facts, circumstance or change in circumstances (actual, anticipated, contemplated or, to the knowledge of such Party, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other Party pursuant to this Section 6.4. The delivery of any notice pursuant to this Section 6.4 shall not limit or otherwise affect the representations, warranties, covenants, conditions or agreements of the Parties under this Agreement or any remedies available pursuant to this Agreement with respect thereto to the Party receiving that notice.

Neither Party may elect to terminate this Agreement pursuant to Section 8.1(c)(i) or Section 8.1(d)(i), as applicable, unless promptly, and in any event prior to the issuance of the Certificate by the Director, the Party intending to terminate this Agreement (the "**Terminating Party**") has delivered a written notice (a "**Termination Notice**") to the other Party (the "**Breaching Party**") specifying in reasonable detail all breaches of covenants, inaccuracies of representations and warranties or other matters which the Terminating Party is asserting as the basis for termination. If any Termination Notice is delivered, provided that the Breaching Party is proceeding diligently to cure any such matter and such matter is capable of being cured prior to the Outside Date to the satisfaction of the Terminating Party, acting reasonably, the Terminating Party may not exercise such termination until the earlier of (i) the expiration of a period of ten business days from the date of receipt of the Termination Notice by the Breaching Party, and (ii) the Outside Date, if in either case such matter has not been cured by such date. Any deliberate, willful or intentional breach shall be deemed to be incapable of being cured. More than one Termination Notice may be delivered by a Party.

6.5 Frustration of Conditions

Neither IPC nor BlackPearl may rely, either as a basis for not consummating the conditions contemplated by this Agreement or terminating this Agreement and abandoning the Arrangement, on the failure of any condition set forth in Section 6.1, 6.2 or 6.3, as the case may be, to be satisfied if such failure was primarily caused by, or resulted from, such Party's failure to perform any of its covenants or agreements under this Agreement.

6.6 Merger of Conditions

Subject to applicable Law, the conditions set out in Sections 6.1, 6.2 and 6.3 shall be conclusively deemed to have been satisfied, waived or released upon the issuance of a Certificate in respect of the Arrangement.

ARTICLE 7 ADDITIONAL COVENANTS REGARDING NON-SOLICITATION

7.1 Covenants of BlackPearl Regarding Non-Solicitation

- (a) BlackPearl shall immediately cease and cause to be terminated all existing solicitations, discussions and negotiations (including through any Representatives on its behalf), if any, with any Person (other than IPC and its Representatives) with respect to any Acquisition Proposal or any inquiry, proposal or offer that constitutes or could reasonably be expected to lead to an Acquisition Proposal, and, in connection therewith, BlackPearl shall discontinue access to any of its confidential information (including any data room), properties, facilities, books and records, and shall promptly, but in any event within four business days, request the return or destruction of all information respecting BlackPearl provided to any Person (other than IPC or its Representatives) who has entered into a confidentiality agreement with BlackPearl relating to an Acquisition Proposal and shall use commercially reasonable efforts to ensure that such requests are honoured in accordance with the terms of the applicable confidentiality agreements with such parties. BlackPearl shall enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar agreements or covenants that BlackPearl has entered into prior to the date of this Agreement and that BlackPearl enters into after the date of this Agreement in accordance with this Agreement.
- (b) BlackPearl shall not, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:
 - (i) solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) any Acquisition Proposal or any inquiries, proposals or offers relating to any Acquisition Proposal or that could reasonably be expected to lead to an Acquisition Proposal;
 - (ii) enter into, engage in, continue or otherwise participate in any discussions or negotiations regarding any Acquisition Proposal or any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or furnish to any other Person any information with respect to its businesses, properties, operations, results of operation, prospects or condition (financial or otherwise) in connection with any Acquisition Proposal or any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing;

- (iii) waive, terminate, amend, modify or release any third party or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive, terminate, amend, modify or release any third party from or otherwise forbear in respect of, any rights or other benefits under confidential information and/or standstill agreements (which, for greater certainty, does not prohibit the automatic release of a party or termination of such provisions in accordance with the pre-existing and express terms of any standstill provision);
- (iv) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend any Acquisition Proposal or any inquiry, proposal or offer that could reasonably be expected to lead to an Acquisition Proposal; or
- (v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal (other than a confidentiality and standstill agreement contemplated under Section 7.1(b)(vi));

provided, however, that notwithstanding any other provision hereof, BlackPearl and its Representatives may, prior to the approval of the BlackPearl Arrangement Resolution at the BlackPearl Shareholders' Meeting:

- (vi) enter into or participate in any discussions or negotiations with a third party that is not in breach of any confidentiality or standstill agreement and who, without any solicitation, assistance, initiation, encouragement or facilitation, directly or indirectly, after that date of this Agreement, by BlackPearl or any of its Representatives, seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality agreement that is substantially similar to the Confidentiality Agreement and is otherwise on terms that BlackPearl determines in good faith are no less favourable to BlackPearl than those found in the Confidentiality Agreement (provided that such confidentiality agreement shall (A) contain customary standstill provisions, (B) allow for disclosure thereof, along with all information provided thereunder, to IPC as set out below (C) allow disclosure to IPC of the making, terms and a copy of any Acquisition Proposal made by the third party as contemplated herein and (D) not contain any provision restricting BlackPearl from complying with this Section 7.1) may furnish to such third party any information concerning BlackPearl and its Subsidiaries and their businesses, properties and assets, in each case if, and only to the extent that:
 - (A) the third party has first made a written *bona fide* Acquisition Proposal, which did not result from a breach of this Section 7.1, and in respect of which the BlackPearl Board determines in good faith, after consultation with its outside legal and financial advisors, constitutes or would reasonably be expected to lead to a Superior Proposal; and
 - (B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party regarding the Acquisition Proposal, BlackPearl shall:
 - (1) provide prompt notice to IPC to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such third party, together with a copy of the confidentiality agreement referenced above and, if not previously provided to IPC, copies of all information provided to such third party concurrently with the provision of such information to such third party,

- (2) notify IPC orally and in writing of any inquiries, offers or proposals with respect to an actual or contemplated Superior Proposal (which written notice shall include a copy of any such inquiry, offer or proposal (and any amendments or supplements thereto), the identity of the Person making it, if not previously provided to IPC, and copies of all information provided to the third party), within 24 hours of the receipt thereof, and
 - (3) keep IPC promptly informed of the status and reasonable details of any such inquiry, offer or proposal and answer IPC's reasonable questions with respect thereto;
 - (vii) comply with Part 2 - Division 3 of NI 62-104 and similar provisions in respect of Swedish Securities Laws and U.S. Securities Laws relating to the provision of directors' circulars and making appropriate disclosure with respect thereto to its securityholders; and
 - (viii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or entry, the BlackPearl Board concludes in good faith, after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Section 7.1(c) and after receiving the advice of outside counsel, that the failure by the BlackPearl Board to take such action would be inconsistent with its fiduciary duties under applicable Laws, and BlackPearl (A) complies with its obligations set forth in this Section 7.1, (B) first terminates this Agreement in accordance with Section 8.1(d)(ii), and (C) concurrently therewith pays the amount required by Section 8.3(a)(ii) to IPC.
- (c) Following the determination by the BlackPearl Board that an Acquisition Proposal constitutes a Superior Proposal, BlackPearl shall give IPC, orally and in writing, at least four complete business days advance notice of any decision by the BlackPearl Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall confirm that the BlackPearl Board has determined that such Acquisition Proposal constitutes a Superior Proposal and shall identify the material terms of, and the third party making, the Superior Proposal and BlackPearl shall provide IPC with a true and complete copy of the Superior Proposal and the agreement to implement such Superior Proposal and any amendments thereto. During such four business day period, BlackPearl agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement as outlined in Section 2.3(a). In addition, during such four business day period, BlackPearl shall, and shall cause its financial and legal advisors to, negotiate in good faith with IPC and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable BlackPearl to proceed with the Arrangement as amended rather than the Superior Proposal. In the event IPC proposes to amend this Agreement and the Arrangement on a basis such that the BlackPearl Board determines that the alternative proposed transaction is no longer a Superior Proposal and so advises the IPC Board prior to the expiry of such four business day period, the BlackPearl Board shall not accept, recommend, approve or enter into any agreement to implement such Acquisition Proposal and shall not release the party making the Acquisition Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement and the Parties hereto will enter into an amended version of this Agreement reflecting such amendments. In the event that BlackPearl provides the notice contemplated by this Section 7.1(c) on a date which is less than four business days prior to the BlackPearl

Shareholders' Meeting, IPC shall be entitled to require BlackPearl to adjourn or postpone the BlackPearl Shareholders' Meeting to a date that is not more than ten business days after the date of such notice.

- (d) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the BlackPearl Shareholders or other material terms or conditions thereof, shall constitute a new Acquisition Proposal for the purposes of Section 7.1(c), and IPC shall be afforded a new four business day period from the date on which IPC received all of the materials set forth in Section 7.1(c) with respect to the new Superior Proposal from BlackPearl.
- (e) The BlackPearl Board shall promptly reaffirm the recommendation and determinations in Section 2.3(a) by press release after (i) any Acquisition Proposal which is publicly announced is determined not to be a Superior Proposal or (ii) the Parties have entered into an amended agreement pursuant to Section 7.1(c) which results in any Acquisition Proposal not being a Superior Proposal. IPC shall have a reasonable opportunity to review and comment on the form and content of such release and BlackPearl shall give reasonable consideration to any comments made by BlackPearl and its counsel relating thereto.
- (f) BlackPearl shall ensure that its Representatives are aware of the provisions of this Section 7.1. BlackPearl shall be responsible for any breach of this Section 7.1 by BlackPearl's Representatives.

ARTICLE 8 TERMINATION AND FEES AND EXPENSES

8.1 Termination

This Agreement may be terminated at any time prior to the Effective Date:

- (a) by mutual written agreement of IPC and BlackPearl;
- (b) by either IPC or BlackPearl if:
 - (i) the BlackPearl Arrangement Resolution shall have failed to receive the requisite vote of the BlackPearl Shareholders for approval at the BlackPearl Shareholders' Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order;
 - (ii) the IPC Share Issuance Resolution shall have failed to receive the requisite vote of the IPC Shareholders for approval at the IPC Shareholders' Meeting (including any adjournment or postponement thereof);
 - (iii) the Effective Time shall not have occurred on or prior to the Outside Date, except that the right to terminate this Agreement under this Section 8.1(b)(iii) shall not be available to any Party whose failure to fulfill any of its covenants or obligations or whose breach of any of its representations or warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by the Outside Date; or
 - (iv) any condition in Section 6.1, other than the conditions in Section 6.1(b) and Section 6.1(c), becomes incapable of being satisfied by the Outside Date, except that the right to terminate this Agreement under this Section 8.1(b)(iv) shall not be available to any Party whose failure to fulfill any of its covenants or obligations

or whose breach of any of its representations or warranties under this Agreement has been the cause of, or resulted in, the failure of such condition to be satisfied;

(c) by IPC if:

- (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of BlackPearl set forth in this Agreement occurs that would cause any condition in Section 6.2(a) or Section 6.2(b) not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date or is not cured in accordance with the terms of Section 6.4; provided that any deliberate, willful or intentional breach shall be deemed to be incapable of being cured and IPC is not then in breach of this Agreement so as to cause any condition in Section 6.3(a) or Section 6.3(b) not to be satisfied;
- (ii) BlackPearl is in breach of any of BlackPearl's covenants or obligations in Section 7.1 in any material respect;
- (iii) (A) the BlackPearl Board fails to unanimously recommend or withdraws, amends, modifies, changes or qualifies, or publicly proposes or states an intention to withdraw, amend, modify, change or qualify, the recommendation or determinations referred to in Section 2.3(a) in a manner adverse to IPC or shall have resolved to do so prior to the Effective Date, (B) the BlackPearl Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend a Superior Proposal or (C) the BlackPearl Board fails to publicly reaffirm the recommendation and determinations referred to in Section 2.3(a) within 72 hours after having been requested in writing by IPC to do so (or in the event that the BlackPearl Shareholders' Meeting is scheduled to occur within such 72 hour period, as soon as possible and in any event prior to the BlackPearl Shareholders' Meeting); or
- (iv) there has occurred a Material Adverse Change in respect of BlackPearl and its Subsidiaries, taken as a whole;

(d) by BlackPearl if:

- (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of IPC set forth in this Agreement occurs that would cause any condition in Section 6.3(a) or Section 6.3(b) not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date or is not cured in accordance with the terms of Section 6.4; provided that any deliberate, willful or intentional breach shall be deemed to be incapable of being cured and BlackPearl is not then in breach of this Agreement so as to cause any condition in Section 6.2(a) or Section 6.2(b) not to be satisfied;
- (ii) prior to the approval by the BlackPearl Shareholders of the BlackPearl Arrangement Resolution, the BlackPearl Board authorizes BlackPearl to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 7.1(b)(vi)) with respect to, or BlackPearl intends to accept, recommend or enter into any agreement to implement, a Superior Proposal in accordance with Section 7.1, provided BlackPearl is then in compliance with Section 7.1 and, prior to or concurrent with such termination, BlackPearl pays the amount required pursuant to and in accordance with Section 8.3(a)(ii); or

- (iii) there has occurred a Material Adverse Change in respect of IPC and its Subsidiaries, taken as a whole;

8.2 Effect of Termination

In the event of the termination of this Agreement pursuant to Section 8.1, this Agreement shall forthwith become void and have no further force or effect, and neither Party (nor its Representatives or shareholders) shall have any liability or further obligation to the other Party hereunder, except with respect to the provisions and obligations set forth in this Section 8.2, Sections 8.3 to 8.5, where applicable, and Article 9, which shall survive any termination hereof; provided that, subject to Section 8.5, nothing contained in this Section 8.2 shall relieve either Party from liability for fraud or for any breach of any provision of this Agreement. No termination of this Agreement shall affect the obligations of the Parties pursuant to the Confidentiality Agreement, except to the extent specified therein.

8.3 Termination Fees

- (a) Despite any other provision in this Agreement relating to the payment of fees and expenses, including the payment of brokerage fees, if a Termination Fee Event occurs, BlackPearl shall pay IPC the Termination Fee in accordance with this Section 8.3(a). For the purposes of this Agreement, "**Termination Fee**" means \$20.0 million, and "**Termination Fee Event**" means the termination of this Agreement:
 - (i) by IPC, pursuant to Section 8.1(c)(ii) or Section 8.1(c)(iii);
 - (ii) by BlackPearl, pursuant to Section 8.1(d)(ii); or
 - (iii) by IPC or BlackPearl pursuant to Sections 8.1(b)(i) or 8.1(b)(iii), or by IPC pursuant to Section 8.1(c)(i), if:
 - (A) prior to such termination, an Acquisition Proposal is made, proposed, offered or otherwise publicly disclosed by any Person (other than IPC) or any Person (other than IPC) shall have publicly announced an intention to make an Acquisition Proposal; and
 - (B) within 12 months following the date of such termination (1) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above) is consummated or effected, or (2) BlackPearl or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into an agreement in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above) and such Acquisition Proposal is later consummated or effected (whether or not such Acquisition Proposal is later consummated or effected within 12 months after such termination) (provided, however, that for purposes of this Section 8.3(a)(iii), the term "Acquisition Proposal" shall have the meaning assigned to such term in Section 1.1, except that references therein to "20% or more" shall be deemed to be references to "50% or more").

If a Termination Fee is payable pursuant to Section 8.3(a)(i), the Termination Fee shall be paid within two business days following such Termination Fee Event. If a Termination Fee is payable pursuant to Section 8.3(a)(ii), the Termination Fee shall be paid prior to or concurrently with the occurrence of such Termination Fee Event. If a Termination Fee is payable pursuant to Section 8.3(a)(iii), the Termination Fee shall be paid upon the consummation or closing of the Acquisition Proposal referred to therein. Any Termination

Fee shall be paid by BlackPearl to IPC (or as IPC may direct by notice in writing), by wire transfer in immediately available Canadian funds to an account designated by IPC.

8.4 Fees and Expenses and Other Agreements as to Damages

(a) Subject to Section 8.3 and Sections 8.4(b) and 8.4(c), each Party shall pay all fees, costs and expenses incurred by such Party in connection with this Agreement and the Arrangement, whether or not the Arrangement is consummated. Each Party shall pay one-half of any filing fees and applicable Taxes payable for or in respect of any application, notification or other filing made in respect of any regulatory process in respect of the transactions contemplated by the Arrangement, including under the Competition Act.

(b) If this Agreement is terminated:

(i) by IPC pursuant to Section 8.1(c)(i); or

(ii) by IPC or BlackPearl pursuant to Section 8.1(b)(iii) or Section 8.1(b)(iv) and at the time of such termination there exists a state of facts or circumstances that would cause the condition set forth in Section 6.2(a) not to be satisfied, notwithstanding the availability of any cure period,

BlackPearl shall pay to IPC an amount equal to \$2.0 million as reimbursement to IPC for its out-of-pocket expenses incurred in connection with the Arrangement, provided that if IPC is in material breach of its obligations hereunder at the time of the termination of the Agreement such amount will not be payable.

(c) If this Agreement is terminated:

(i) by BlackPearl pursuant to Section 8.1(d)(i), or

(ii) by BlackPearl or IPC pursuant to Section 8.1(b)(iii) or Section 8.1(b)(iv) and at the time of such termination there exists a state of facts or circumstances that would cause the condition set forth in Section 6.3(a) not to be satisfied, notwithstanding the availability of any cure period,

IPC shall pay to BlackPearl an amount equal to \$2.0 million as reimbursement to BlackPearl for its out-of-pocket expenses incurred in connection with the Arrangement, provided that if BlackPearl is in material breach of its obligations hereunder at the time of the termination of the Agreement such amount will not be payable.

(d) If this Agreement is terminated by IPC pursuant to Section 8.1(b)(iii) or Section 8.1(b)(iv) and at the time of such termination there exists a state of facts or circumstances that would cause the condition set forth in Section 6.1(i) not to be satisfied, notwithstanding the availability of any cure period, IPC shall pay to BlackPearl an amount equal to \$1.0 million as reimbursement to BlackPearl for its out-of-pocket expenses incurred in connection with the Arrangement, provided BlackPearl is then in compliance with Section 5.3(a)(i) and Section 5.5.

(e) No fees or amounts shall be payable by BlackPearl under Section 8.4(b) if BlackPearl has paid a fee under Section 8.3(a).

8.5 Liquidated Damages

The Parties acknowledge that the agreements contained in this Article 8 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Parties would not enter into this Agreement, and that the amounts set out in this Article 8 represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which IPC or BlackPearl, as applicable, will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. Each Party agrees that the payment by BlackPearl to IPC of the Termination Fee in the manner provided in Section 8.3 or the payment by BlackPearl or IPC to the other Party in the manner provided in Section 8.4, as applicable, is the sole monetary remedy of such Party in respect of the event giving rise to such payment; provided that (i) this limitation shall not apply in the event of fraud or deliberate breach of this Agreement; and (ii) prior to any such termination, the Parties shall also have the right to injunctive and other equitable relief in accordance with Section 9.8 to prevent breaches or threatened breaches of this Agreement and to enforce compliance with the terms of this Agreement.

ARTICLE 9 GENERAL PROVISIONS

9.1 Amendment

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the BlackPearl Shareholders' Meeting or the IPC Shareholders' Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, subject to the Interim Order and Final Order and applicable Laws.

9.2 Waiver

Either Party may: (a) extend the time for the performance of any of the obligations or other acts of the other Party; (b) waive compliance with any of the other Party's agreements or the fulfillment of any conditions to its own obligations contained herein; and (c) waive inaccuracies in any of the other Party's representations or warranties contained herein or in any document delivered by the other Party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and such waiver shall apply only to the specific matters identified in such instrument.

9.3 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by facsimile transmission or email, or as of the following business day if sent by prepaid overnight courier, to the Parties at the following addresses (or at such other addresses as shall be specified by either Party by notice to the other given in accordance with these provisions):

(a) if to IPC:

International Petroleum Corporation
885 West Georgia Street
Suite 2000
Vancouver, British Columbia V6C 3E8

Attention: Jeffrey Fountain, General Counsel and Corporate Secretary
Facsimile: (604) 689-4250
Email: jeffrey.fountain@international-petroleum.com

with a copy to:

Blake, Cassels & Graydon LLP
Suite 3500, Bankers Hall East
855-2nd Street S.W.
Calgary, Alberta T2P 4J8

Attention: Dan McLeod/Markus Viirland
Facsimile: 403-260-9700/416-863-2653
Email: daniel.mcleod@blakes.com/markus.viirland@blakes.com

(b) if to BlackPearl:

BlackPearl Resources Inc.
9th Floor, 215 - 9th Avenue S.W.
Penn West Plaza - West Tower
Calgary, Alberta T2P 1K3

Attention: John Festival, President and Chief Executive Officer
Facsimile: (403) 265-5359
Email: john.festival@pxx.ca

with a copy to:

Bennett Jones LLP
Suite 4500, Bankers Hall East
855-2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Renee Ratke
Facsimile: 403-265-7219
Email: ratker@bennettjones.com

9.4 Entire Agreement; Binding Effect

This Agreement: (a) together with the Confidentiality Agreement, constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof; and (b) shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

9.5 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties hereto without the prior written consent of the other Party.

9.6 Time of Essence

Time shall be of the essence in this Agreement.

9.7 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such

further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

9.8 Specific Performance

IPC and BlackPearl agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement or the Confidentiality Agreement were not performed by the other Party in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to an injunction or injunctions and other equitable relief to prevent breaches or threatened breaches of the provisions of this Agreement or the Confidentiality Agreement or to otherwise obtain specific performance of any such provisions, any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief hereby being waived.

9.9 Third Party Beneficiaries

- (a) The provisions of Section 5.7 are: (i) intended for the benefit of all present and former directors and officers of BlackPearl and its Subsidiaries, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and IPC shall hold the rights and benefits of Section 5.7 in trust for and on behalf of the Third Party Beneficiaries and IPC hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries; and (ii) in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise.
- (b) Except as provided in this Section 9.9, this Agreement shall not: (i) confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns; (ii) constitute or create an employment agreement with any employee, create any right to employment or continued employment or service, or to a particular term or condition of employment, or (iii) other than as may be provided for in Section 2.13 and Section 5.2(f) hereof, be construed to establish, amend, or modify any BlackPearl Employee Plan or any other benefit or compensation plan, program, agreement or arrangement.

9.10 Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Alberta and the Laws of Canada applicable therein, and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

9.11 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

9.12 Counterparts

This Agreement may be executed by facsimile or other electronic signature and in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

[The remainder of this page is left blank intentionally]

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

INTERNATIONAL PETROLEUM CORPORATION

By: (signed) "Mike Nicholson"
Name: Mike Nicholson
Title: Chief Executive Officer

By: (signed) "Christophe Nerguararian"
Name: Christophe Nerguararian
Title: Chief Financial Officer

BLACKPEARL RESOURCES INC.

By: (signed) "John Fesitval"
Name: John Fesitval
Title: President and Chief Executive Officer

By: (signed) "Don Cook"
Name: Don Cook
Title: Chief Financial Officer

SCHEDULE A

**PLAN OF ARRANGEMENT
respecting
BLACKPEARL RESOURCES INC.
made pursuant to**

Section 192 of the *Canada Business Corporations Act*

**PLAN OF ARRANGEMENT
UNDER SECTION 192 OF THE
CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires, the following terms shall have the respective meanings set out below:

- (a) **"Arrangement"** means the arrangement pursuant to Section 192 of the CBCA, on the terms and conditions set forth in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of this Plan of Arrangement, including as may be made at the direction of the Court;
- (b) **"Arrangement Agreement"** means the arrangement agreement made as of October 9, 2018 between IPC and BlackPearl, as supplemented, modified or amended from time to time in accordance with its terms;
- (c) **"Articles of Arrangement"** means the articles of arrangement of BlackPearl in respect of the Arrangement required under subsection 192(6) of the CBCA to be sent to the Director after the Final Order has been granted, giving effect to the Arrangement
- (d) **"BlackPearl"** means BlackPearl Resources Inc., a corporation incorporated under the CBCA with its head office in the City of Calgary, in the Province of Alberta;
- (e) **"BlackPearl Arrangement Resolution"** means the special resolution of the BlackPearl Shareholders in respect of the Arrangement to be considered by the BlackPearl Shareholders at the BlackPearl Shareholders' Meeting, substantially in the form attached as Schedule B-1 to the Arrangement Agreement;
- (f) **"BlackPearl Incentive Awards"** means, collectively, the BlackPearl Options and the BlackPearl RSUs;
- (g) **"BlackPearl Option In-the-Money Amount"** has the meaning ascribed thereto in Section 3.1(a)(i) hereof;
- (h) **"BlackPearl Option Plan"** means the stock option plan of BlackPearl dated February 25, 2009 and amended and restated effective January 1, 2017;
- (i) **"BlackPearl Options"** means options to acquire BlackPearl Shares awarded pursuant to the BlackPearl Option Plan;
- (j) **"BlackPearl RSU Plan"** means the restricted share unit plan of BlackPearl dated February 22, 2017;
- (k) **"BlackPearl RSUs"** means the restricted share units awarded pursuant to the BlackPearl RSU Plan;
- (l) **"BlackPearl Shareholders"** means the holders of BlackPearl Shares;

- (m) **"BlackPearl Shareholders' Meeting"** means the meeting or meetings of the BlackPearl Shareholders, including any adjournment or postponement thereof, that is or are to be convened as provided by the Interim Order to consider and, if deemed advisable, approve the BlackPearl Arrangement Resolution
- (n) **"BlackPearl Share Market Price"** means the volume weighted average trading price of the BlackPearl Shares on the TSX on the second trading day immediately prior to the Effective Date;
- (o) **"BlackPearl Shares"** means the common shares in the capital of BlackPearl;
- (p) **"BlackPearl Swedish Depositary Receipts"** means the Swedish depositary receipts issued by BlackPearl through Pareto Securities AB, representing BlackPearl Shares, registered with Euroclear Sweden AB and listed on Nasdaq;
- (q) **"business day"** means any day, other than a Saturday, a Sunday, a statutory holiday any other day when banks in the Provinces of British Columbia or Alberta or in the cities of London, England or Paris, France are not generally open for business;
- (r) **"CBCA"** means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, including the regulations promulgated thereunder, as amended;
- (s) **"Certificate"** means the certificate to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement giving effect to the Arrangement;
- (t) **"Court"** means the Court of Queen's Bench of Alberta;
- (u) **"Depositary"** means such Person as BlackPearl and IPC may jointly appoint, each acting reasonably, to act as depositary for the purpose of, among other things, receiving deposits of certificates representing BlackPearl Shares in connection with the Arrangement;
- (v) **"Director"** means the Director duly appointed under Section 160 of the CBCA;
- (w) **"Dissent Rights"** means the rights of Dissenting BlackPearl Shareholders to dissent to the BlackPearl Arrangement Resolution described in Section 5.1 of this Plan of Arrangement;
- (x) **"Dissenting BlackPearl Shareholder"** means any registered BlackPearl Shareholder who has duly and validly exercised its Dissent Rights pursuant to Article 5 of this Plan of Arrangement and the Interim Order, and has not withdrawn, or been deemed to have withdrawn, such exercise of Dissent Rights as at the Effective Time;
- (y) **"Effective Date"** means the effective date of the Arrangement, being the date shown on the Certificate;
- (z) **"Effective Time"** means 12:01 a.m. (Calgary time) on the Effective Date or such other time on the Effective Date as may be agreed to in writing by IPC and BlackPearl;
- (aa) **"Eligible BlackPearl Shareholder"** means an Eligible Resident BlackPearl Shareholder or an Eligible Non-Resident BlackPearl Shareholder;
- (bb) **"Eligible Non-Resident BlackPearl Shareholder"** means a BlackPearl Shareholder (other than a Dissenting BlackPearl Shareholder) immediately prior to the Effective Time

who is not, and is not deemed to be, a resident of Canada for purposes of the Tax Act and whose BlackPearl Shares are "taxable Canadian property" and not "treaty-protected property" (each as defined in the Tax Act);

- (cc) **"Eligible Resident BlackPearl Shareholder"** means a BlackPearl Shareholder (other than a Dissenting BlackPearl Shareholder) immediately prior to the Effective Time who is a resident of Canada for purposes of the Tax Act (other than a Tax Exempt Person) or a partnership any member of which is a resident of Canada for the purposes of the Tax Act and not a Tax Exempt Person;
- (dd) **"Encumbrance"** includes any mortgage, pledge, capital lease, assignment, charge, lien, security interest, adverse interest in property, debenture, claim, trust, royalty or other third party interest (whether by Law, contract or otherwise), security interest, conditional sales contract or other title retention agreement or similar interest or instrument to charge or create a security interest in or against title or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;
- (ee) **"Exchange Ratio"** means 0.22 of an IPC Share for each BlackPearl Share;
- (ff) **"Exchanges"** means the TSX and Nasdaq;
- (gg) **"Final Order"** means the final order of the Court approving the Arrangement pursuant to subsection 192(4)(e) of the CBCA, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed;
- (hh) **"Governmental Entity"** means any: (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (ii) subdivision, agent, commission, board or authority of any of the foregoing; (iii) quasi-governmental or private body (including any securities commission or similar regulatory authority) exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (iv) the Exchanges, as applicable;
- (ii) **"IPC"** means International Petroleum Corporation, a corporation incorporated under the *Business Corporations Act* (British Columbia) with its head office in the City of Vancouver, in the Province of British Columbia;
- (jj) **"IPC Share Issuance Resolution"** means the ordinary resolution of the IPC Shareholders to authorize and approve the issuance by IPC of the IPC Shares to the BlackPearl Shareholders pursuant to the Arrangement, substantially in the form attached as Schedule B-2 to the Arrangement Agreement;
- (kk) **"IPC Shareholders"** means the holders of IPC Shares;
- (ll) **"IPC Shareholders' Meeting"** means such meeting or meetings of the IPC Shareholders, including any adjournment or postponement thereof, that is or are to be convened to consider and, if deemed advisable, approve the IPC Share Issuance Resolution;
- (mm) **"IPC Shares"** means the common shares in the capital of IPC.
- (nn) **"Interim Order"** means the interim order of the Court under subsection 192(4) of the CBCA, as such order may be amended, containing declarations and directions in respect

of the notice to be given and the conduct of the BlackPearl Shareholders' Meeting with respect to the Arrangement, as more fully set out in the Arrangement Agreement;

- (oo) "**Joint Election Form**" has the meaning ascribed thereto in Section 3.4 hereof;
- (pp) "**Joint Information Circular**" means the notice of the IPC Shareholders' Meeting and the notice of the BlackPearl Shareholders' Meeting to be sent to IPC Shareholders and BlackPearl Shareholders, respectively, and the management information circular to be prepared in connection with the IPC Shareholders' Meeting and the BlackPearl Shareholders' Meeting, together with any amendments thereto or supplements thereof;
- (qq) "**Laws**" means all laws, by-laws, statutes, rules, regulations, principles of law, decisions, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority and the term "**applicable**" with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Persons or its business, activities, property, assets, undertaking or securities and emanate from a Person having jurisdiction over the Person or Persons or its or business, activities, property, assets, undertaking or securities;
- (rr) "**Letter of Transmittal**" means the letter of transmittal enclosed with the Joint Information Circular to be used by registered BlackPearl Shareholders to surrender their certificate(s) representing BlackPearl Shares to the Depository in order to receive certificates for IPC Shares to be issued to them pursuant to the Arrangement;
- (ss) "**Nasdaq**" means the Nasdaq Stockholm Exchange;
- (tt) "**Person**" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity);
- (uu) "**Plan of Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean this Plan of Arrangement, as supplemented, modified or amended from time to time in accordance with the terms hereof or the Arrangement Agreement or made at the direction of the Court in the Final Order with the consent of IPC and BlackPearl, each acting reasonably;
- (vv) "**Section 85 Election**" has the meaning ascribed thereto in Section 3.4 hereof;
- (ww) "**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, as amended;
- (xx) "**Tax Exempt Person**" means a Person who is exempt from tax under Part I of the Tax Act; and
- (yy) "**TSX**" means The Toronto Stock Exchange;

1.2 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement.

1.3 **Article References**

Unless the contrary intention appears, references in this Plan of Arrangement to an Article, Section, subsection or paragraph by number or letter or both refer to the Article, Section, subsection or paragraph, respectively, bearing that designation in this Plan of Arrangement.

1.4 **Number and Gender**

In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and *vice versa*, and words importing gender shall include all genders

1.5 **Date for Any Action**

If the date on which any action is required to be taken hereunder is not a business day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a business day in such place.

1.6 **Currency**

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

1.7 **Statutory References**

References to a particular statute or Law shall be to such statute or Law and the rules, regulations and published policies promulgated thereunder, as now in effect and as they may be promulgated thereunder or amended from time to time.

1.8 **Other Definitional and Interpretive Provisions**

References in this Plan of Arrangement to the words "include", "includes" or "including" shall be deemed to be followed by the words "without limitation" whether or not they are in fact followed by those words or words of like import.

ARTICLE 2 EFFECT OF THE ARRANGEMENT

2.1 This Plan of Arrangement is made pursuant to, is subject to the provisions of and forms part of, the Arrangement Agreement.

2.2 This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate, will become effective at, and be binding as and from, the Effective Time upon: (a) BlackPearl; (b) the registered and beneficial BlackPearl Shareholders (including Dissenting BlackPearl Shareholders); (c) the holders of BlackPearl Incentive Awards; (d) IPC; (e) the Depositary; and (f) all other Persons.

2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to the Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

2.4 Other than as expressly provided for herein, no portion of this Plan of Arrangement shall take effect with respect to any party or Person until the Effective Time.

ARTICLE 3 ARRANGEMENT

3.1 Arrangement

Commencing at the Effective Time, each of the events set out below shall occur and be deemed to occur consecutively in the following sequence, without any further act or formality, except as otherwise provided herein:

Treatment of BlackPearl Options

- (a) Each BlackPearl Option outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the BlackPearl Option Plan and/or the terms of any award agreements related to the BlackPearl Options, shall be deemed to be vested and exercisable and each holder of BlackPearl Options shall, without any further action by or on behalf of such holder, be deemed to have exercised such BlackPearl Options and elected to surrender such BlackPearl Options to BlackPearl such that:
 - (i) each BlackPearl Option outstanding at the Effective Time that has an exercise price that is less than the BlackPearl Share Market Price shall be, and shall be deemed to be, surrendered to BlackPearl for cancellation and the holders thereof shall receive, in respect of each such surrendered BlackPearl Option, an amount equal to the amount by which the BlackPearl Share Market Price exceeds the exercise price thereof (the "**BlackPearl Option In-the-Money Amount**"), payable in BlackPearl Shares, with the number of BlackPearl Shares issuable in payment thereof being equal to the BlackPearl Option In-the-Money Amount of such BlackPearl Options divided by the BlackPearl Share Market Price; and
 - (ii) no fractional BlackPearl Shares will be issued pursuant to Section 3.1(a)(i) and where the aggregate number of BlackPearl Shares issuable to a former holder of BlackPearl Options pursuant to Section 3.1(a)(i) would result in a fraction of a BlackPearl Share being issuable, such former holder of BlackPearl Options shall receive, in lieu of such fractional BlackPearl Share, the nearest whole number of BlackPearl Shares, with fractions being rounded down; and
 - (iii) each BlackPearl Option outstanding at the Effective Time that has an exercise price that is equal to or greater than the BlackPearl Share Market Price, shall be, and shall be deemed to be, surrendered to BlackPearl for cancellation and the holders thereof shall receive, in respect of all such surrendered BlackPearl Options, a cash payment from BlackPearl equal to \$1.00,

and each such BlackPearl Option shall be, and shall be deemed to be, cancelled by BlackPearl, all of BlackPearl's obligations under such BlackPearl Options shall be deemed to be fully satisfied and the holders thereof shall cease to have any rights as holders of BlackPearl Options other than the right to receive the consideration contemplated under this Plan of Arrangement.

Treatment of BlackPearl RSUs

- (b) Each BlackPearl RSU outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the BlackPearl RSU Plan and/or the terms of any award agreements related to the BlackPearl RSUs, shall be deemed to be vested, without any further action by or on behalf of a holder of BlackPearl RSUs, and holders thereof shall receive one BlackPearl Share for each BlackPearl RSU, all of BlackPearl's obligations under such BlackPearl RSUs shall be deemed to be fully

satisfied and the holders thereof shall cease to have any rights as holders of BlackPearl RSUs other than the right to receive the consideration contemplated under this Plan of Arrangement.

Dissenting BlackPearl Shareholders

- (c) Subject to Section 5.1, each of the BlackPearl Shares held by Dissenting BlackPearl Shareholders shall be, and shall be deemed to be, transferred by the holders thereof to BlackPearl (free and clear of any Encumbrances), and cancelled and such Dissenting BlackPearl Shareholders shall cease to have any rights as BlackPearl Shareholders, other than the right to be paid the fair value for such BlackPearl Shares in accordance with Section 5.1, and the names of such holders shall be removed from the register of BlackPearl Shareholders.

Acquisition of BlackPearl Shares by IPC

- (d) Each issued and outstanding BlackPearl Share (including, for greater certainty, the BlackPearl Shares issued pursuant to Sections 3.1(a)(i) and 3.1(b)) held by BlackPearl Shareholders (other than Dissenting BlackPearl Shareholders) shall be, and shall be deemed to be, transferred by the holder thereof to IPC (free and clear of any Encumbrances), in exchange for that number of fully paid and non-assessable IPC Shares equal to the Exchange Ratio; and
- (i) such BlackPearl Shareholders shall cease to be the holders of such BlackPearl Shares and to have any rights as holders of such BlackPearl Shares, other than the right to receive IPC Shares pursuant to this Section 3.1(d) and the names of such holders shall be removed from the register of BlackPearl Shareholders; and
- (ii) IPC shall be deemed to be the transferee, and shall be the sole registered and beneficial owner, of such BlackPearl Shares (free and clear of any Encumbrances).

3.2 Securities Registers

IPC and BlackPearl shall make the appropriate entries in their respective securities registers to reflect the matters referred to in Section 3.1.

3.3 Withholding Rights

BlackPearl, IPC and the Depositary shall be entitled to deduct or withhold from any consideration or amount otherwise payable to any BlackPearl Shareholder or any holder of BlackPearl Incentive Awards, as applicable, under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Article 5 hereof and including, by way of deduction from the BlackPearl Option In-the-Money-Amount of BlackPearl Options and the BlackPearl RSUs as contemplated in Sections 3.1(a)(i) and 3.1(b), respectively, such amounts as BlackPearl, IPC or the Depositary, as the case may be, may reasonably determine is required to be deducted and withheld with respect to such payment under the Tax Act, the United States *Internal Revenue Code of 1986* or any provision of any other applicable Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the BlackPearl Shareholder or holder of BlackPearl Incentive Awards, as applicable, in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing authority within the time prescribed by applicable Law. To the extent that the amount so required to be deducted or withheld from any payment to a former BlackPearl Shareholder or holder of BlackPearl Incentive Awards exceeds the cash component, if any, of the consideration otherwise payable to the holder or has not been

deducted from the BlackPearl Option In-the-Money-Amount of BlackPearl Options or the BlackPearl RSUs as contemplated in Sections 3.1(a)(i) and 3.1(b), respectively, IPC and the Depository are hereby authorized to sell or otherwise dispose of such portion of the IPC Shares issuable to the holder as is necessary to provide sufficient funds to BlackPearl, IPC or the Depository, as the case may be, to enable it to comply with such deduction or withholding requirement, and IPC or the Depository shall notify the holder thereof and remit the applicable portion of the net proceeds of such sale (after deduction of all fees, commissions or costs in respect of such sale) to the appropriate taxing authority and shall remit to such holder any unapplied balance of the net proceeds of such sale. Any sale will be made at prevailing market prices and none of Blackpearl, IPC or the Depository shall be under any obligation to obtain or indemnify any Blackpearl Shareholder or holder of Blackpearl Incentive Awards in respect of a particular price for the IPC Shares so sold. Notwithstanding the foregoing, in lieu of having IPC Shares sold or otherwise disposed of, holders of BlackPearl Incentive Awards may provide cash to BlackPearl, IPC or the Depository to fund any required withholding taxes, provided the cash delivered is sufficient to satisfy any remittance in full and is received at least five business days before the remittance by Blue, IPC or the Depository of any withholding is due. BlackPearl agrees to elect under subsection 110(1.1) of the Tax Act, in prescribed form, that neither BlackPearl nor any person not dealing at arm's length with BlackPearl will deduct in computing its income for a taxation year any amount in respect of the payment of amounts to the holders of BlackPearl Incentive Awards under the Arrangement, and provide evidence in writing to such holders of such election.

3.4 **Section 85 Tax Elections**

An Eligible BlackPearl Shareholder whose BlackPearl Shares are transferred, or deemed to be transferred, for IPC Shares pursuant to the Arrangement shall be entitled to make a joint income tax election pursuant to Section 85 of the Tax Act (and any analogous provision of provincial income tax Law) (a "**Section 85 Election**") with respect to the transfer, or deemed transfer, by providing two signed copies of the necessary joint election forms (the "**Joint Election Forms**") to IPC (as set out in the Letter of Transmittal), within 90 days after the Effective Date, duly completed with the details of the number of BlackPearl Shares transferred, or deemed to be transferred, and the applicable agreed amounts for the purposes of such joint elections. IPC shall, within 30 days after receiving the completed Joint Election Forms from an Eligible BlackPearl Shareholder, and subject to such Joint Election Forms being correct and complete and in compliance with requirements imposed under the Tax Act (or applicable provincial income tax Law), sign and return such Joint Election Forms to the Eligible BlackPearl Shareholder for filing with the Canada Revenue Agency (or the applicable provincial tax authority). Neither BlackPearl, IPC, nor any successor corporation shall be responsible for the proper completion of any Joint Election Form nor, except for the obligation to sign and return duly completed Joint Election Forms which are received within 90 days of the Effective Date, for any taxes, interest or penalties resulting from the failure of an Eligible BlackPearl Shareholder to properly complete or file such Joint Election Forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial Law). In its sole discretion, IPC or any successor corporation may choose to sign and return a Joint Election Form received by it more than 90 days following the Effective Date, but will have no obligation to do so.

ARTICLE 4 CONSIDERATION, CERTIFICATES, FRACTIONAL SHARES AND BLACKPEARL SWEDISH DEPOSITARY RECEIPTS

4.1 **Right to Consideration**

- (a) Forthwith following the Effective Time,
 - (i) BlackPearl shall issue and deliver to the registrar and transfer agent for the BlackPearl Shares an irrevocable treasury order authorizing such registrar and

transfer agent to register the aggregate number of BlackPearl Shares to which the former holders of BlackPearl Incentive Awards are entitled in accordance with Sections 3.1(a)(i) and 3.1(b) of this Plan of Arrangement; and

- (ii) IPC shall, subject to Section 4.1(b) of this Plan of Arrangement, issue and deliver to the Depository an irrevocable treasury order authorizing the Depository, as the registrar and transfer agent of the IPC Shares, to register the aggregate number of IPC Shares to which the former BlackPearl Shareholders are entitled in accordance with Section 3.1(d) of this Plan of Arrangement.
- (b) The Depository shall deliver the consideration in respect of those BlackPearl Shares that were transferred or deemed to be transferred, as applicable, pursuant to Section 3.1(d) hereof which are held on a book-entry basis, less any amounts withheld pursuant to Section 3.3 hereof, in accordance with normal industry practice for payments relating to securities held on a book-entry only basis. With respect to those BlackPearl Shares not held on a book-entry basis, upon surrender to the Depository for cancellation of a certificate or certificates (as applicable) which, immediately prior to the Effective Time, represented outstanding BlackPearl Shares that were transferred or deemed to be transferred, as applicable, pursuant to Section 3.1(d) hereof, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, each holder of such surrendered certificate(s) shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder as directed in the Letter of Transmittal, a certificate representing the IPC Share which such holder has the right to receive under this Plan of Arrangement for such BlackPearl Shares, less any amounts withheld pursuant to Section 3.3 hereof, and any certificate(s) so surrendered shall forthwith be cancelled.
- (c) From and after the Effective Time, each certificate that immediately prior to the Effective Time represented BlackPearl Shares shall be deemed to represent only the right to receive a certificate representing the IPC Share which such holder has the right to receive under this Plan of Arrangement for such BlackPearl Shares, less any amounts withheld pursuant to Section 3.3 hereof. Any such certificate formerly representing BlackPearl Shares not duly surrendered on or before the last business day prior to the third anniversary of the Effective Date shall cease to represent a claim by or interest of any former BlackPearl Shareholder of any kind or nature against IPC or BlackPearl. On such date, any and all consideration and other property to which such former BlackPearl Shareholder was entitled shall be deemed to have been surrendered and forfeited for no consideration to IPC.
- (d) No former BlackPearl Shareholder or holder of BlackPearl Incentive Awards shall be entitled to receive any consideration with respect to such BlackPearl Shares or BlackPearl Incentive Awards, as applicable, other than the consideration to which such former holder is entitled to receive under the Arrangement and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

4.2 **Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented an interest in one or more outstanding BlackPearl Shares that were transferred pursuant to Section 3.1(d) of this Plan of Arrangement has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depository will, subject to the terms hereof, issue and deliver in exchange for such lost, stolen or destroyed certificate, the consideration to which the holder is entitled pursuant to this Plan of Arrangement. When authorizing such issuance and delivery in exchange for any lost, stolen or destroyed certificate, the Person to whom such consideration is to be issued and delivered shall, as a

condition precedent to the delivery of such consideration, give a bond satisfactory to IPC and the Depositary (acting reasonably) in such sum as IPC may direct, or otherwise indemnify IPC and the Depositary in a manner satisfactory to IPC and the Depositary (acting reasonably), as applicable, against any claim that may be made against IPC or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 No Fractional Shares

No certificates representing fractional IPC Shares shall be issued under the Arrangement. In lieu of any fractional IPC Shares, a BlackPearl Shareholder otherwise entitled to a fractional interest in an IPC Share shall receive the nearest whole number of IPC Shares as applicable, with fractions equal to 0.5 or more being rounded up and fractions less than 0.5 being rounded down.

4.4 BlackPearl Swedish Depositary Receipts

The Arrangement shall be structured and executed such that the issuance of the IPC Shares issuable to holders of BlackPearl Swedish Depositary Receipts under the Arrangement will, to the fullest extent possible under applicable Laws, be treated in the same manner as the BlackPearl Shareholders, taking into account that (a) the BlackPearl Swedish Depositary Receipts are registered with Euroclear Sweden AB and listed on Nasdaq and (b) it may not be possible to treat the holders of the BlackPearl Swedish Depositary Receipts exactly equally to BlackPearl Shareholders given time differences, difference in clearing systems and currency exchange rates.

ARTICLE 5 DISSENTING BLACKPEARL SHAREHOLDERS

5.1 Dissent Rights

- (a) Each registered BlackPearl Shareholder shall have the right to dissent with respect to BlackPearl Shares held by such BlackPearl Shareholder in connection with the Arrangement in accordance with Section 190 of the CBCA, as modified by the Interim Order and this Article 5, provided that notwithstanding subsection 190(5) of the CBCA, the written objection to the BlackPearl Arrangement Resolution referred to in subsection 190(5) of the CBCA must be received by BlackPearl from the Dissenting BlackPearl Shareholder not later than 4:00 p.m. (Calgary time) on the date that is five Business Days prior to the date of the BlackPearl Shareholders' Meeting.
- (b) A Dissenting BlackPearl Shareholder shall, following the completion of the events set forth in Section 3.1(c), cease to have any rights as a holder of BlackPearl Shares (other than as set forth herein) and shall only be entitled to be paid by BlackPearl the fair value of the holder's BlackPearl Shares. A Dissenting BlackPearl Shareholder who is entitled to be paid by BlackPearl the fair value of such holder's BlackPearl Shares shall, pursuant to Section 3.1(c) hereof, be deemed to have transferred the holder's BlackPearl Shares (free and clear of any Encumbrances) to BlackPearl for cancellation without any further act or formality notwithstanding the provisions of Section 190 of the CBCA.
- (c) The fair value of the BlackPearl Shares shall be determined as of the close of business on the last business day before the day on which the BlackPearl Arrangement Resolution is approved by the BlackPearl Shareholders.
- (d) A Dissenting BlackPearl Shareholder who, for any reason, is not ultimately entitled to be paid the fair value of such holder's BlackPearl Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of BlackPearl Shares, notwithstanding the provisions of Section 190 of the CBCA, and shall be entitled to receive only the consideration contemplated in Section

3.1(d)) of this Plan of Arrangement that such BlackPearl Shareholder would have received pursuant to the Arrangement if such BlackPearl Shareholder had not exercised Dissent Rights hereunder.

- (e) In no event shall BlackPearl or IPC be required to recognize any Dissenting BlackPearl Shareholder as a BlackPearl Shareholder after the completion of the events set forth in Section 3.1(c) and the names of such holders shall be removed from the register of BlackPearl Shareholders as at the Effective Time.
- (f) For greater certainty, in addition to any other restrictions in Section 190 of the CBCA, any Person who has voted or has instructed a proxyholder to vote their BlackPearl Shares in favour of the BlackPearl Arrangement Resolution shall not be entitled to exercise Dissent Rights. In addition, a Dissenting BlackPearl Shareholder may only exercise Dissent Rights in respect of all, and not less than all, of such BlackPearl Shareholder's BlackPearl Shares.

ARTICLE 6 AMENDMENT

6.1 Amendment of this Plan of Arrangement

- (a) BlackPearl and IPC may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that any such amendment, modification or supplement must be (i) set out in writing; (ii) approved by both IPC and BlackPearl; (iii) filed with the Court and, if made following the BlackPearl Shareholders' Meeting, approved by the Court and communicated to the BlackPearl Shareholders and the holders of BlackPearl Incentive Awards, if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by BlackPearl and IPC at any time prior to or at BlackPearl Shareholders' Meeting (provided that the other party shall have consented thereto, acting reasonably), with or without any other prior notice or communication and, if so proposed and accepted, in the manner contemplated and to the extent required by the Arrangement Agreement, by the BlackPearl Shareholders, shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the BlackPearl Shareholders' Meeting shall be effective only: (i) if it is consented to in writing by each of IPC and BlackPearl (each acting reasonably); and (ii) if required by the Court or applicable Law, it is approved by the BlackPearl Shareholders and/or the holders of BlackPearl Incentive Awards.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time, provided that such amendment, modification or supplement is consented to in writing by each of IPC and BlackPearl, and further provided that it concerns a matter which, in the reasonable opinion of each of IPC and BlackPearl, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interests of any former BlackPearl Shareholder, or holder of BlackPearl Incentive Awards.
- (e) Notwithstanding the foregoing provisions of this Article 6, no amendment, modification or supplement of this Plan of Arrangement may be made prior to the Effective Time except in accordance with the terms of the Arrangement Agreement.

**ARTICLE 7
FURTHER ASSURANCES**

7.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in herein, without any further act or formality, each of IPC and BlackPearl shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

SCHEDULE B-1

FORM OF BLACKPEARL ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- (1) The arrangement (the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving BlackPearl Resources Inc. ("**BlackPearl**"), as more particularly described and set forth in the joint management information circular of BlackPearl and International Petroleum Corporation ("**IPC**") accompanying the notice of this meeting, as the Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.
- (2) The plan of arrangement (the "**Plan of Arrangement**") involving BlackPearl, the holders of common shares in the capital of BlackPearl and IPC, the full text of which is set out as Schedule A to the Arrangement Agreement dated October 9, 2018 between IPC and BlackPearl (the "**Arrangement Agreement**"), as the Plan of Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.
- (3) The Arrangement Agreement, the actions of the directors of BlackPearl in approving the Arrangement Agreement and the actions of the directors and officers of BlackPearl in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.
- (4) Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the BlackPearl Shareholders (as defined in the Arrangement Agreement) or that the Arrangement has been approved by the Court of Queen's Bench of Alberta, the directors of BlackPearl are hereby authorized and empowered, without further notice to or approval of the BlackPearl Shareholders (a) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement and the Plan of Arrangement, as applicable, and (b) subject to the terms of the Arrangement Agreement, to disregard the BlackPearl Shareholders' approval and not proceed with the Arrangement.
- (5) Any one director or officer of BlackPearl be and is hereby authorized and directed for and on behalf of BlackPearl to execute, under the corporate seal of BlackPearl or otherwise, and to deliver to the Director under the CBCA for filing articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.
- (6) Any one director or officer of BlackPearl is hereby authorized and directed, for and on behalf of BlackPearl, to execute or cause to be executed, under the corporate seal of BlackPearl or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such director's or officer's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE B-2

FORM OF IPC SHARE ISSUANCE RESOLUTION

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (1) The issuance of up to [•] common shares ("**IPC Shares**") in the capital of International Petroleum Corporation ("**IPC**") pursuant to a plan of arrangement (the "**Plan of Arrangement**") under Section 192 of the *Canada Business Corporations Act* involving BlackPearl Resources Inc. ("**BlackPearl**"), the holders of common shares in the capital of BlackPearl and IPC, as more particularly described and set forth in the joint management information circular of IPC and BlackPearl accompanying the notice of this meeting, is hereby authorized and approved.
- (2) The Arrangement Agreement, the actions of the directors of IPC in approving the Arrangement Agreement and the actions of the directors and officers IPC in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.
- (3) Notwithstanding that this resolution has been passed by the IPC Shareholders (as defined in the Arrangement Agreement) or that the Arrangement (as defined in the Arrangement Agreement) has been approved by the Court of Queen's Bench of Alberta, the directors of IPC are hereby authorized and empowered, without further notice to or approval of the IPC Shareholders (a) to amend the Arrangement Agreement, to the extent permitted by the Arrangement Agreement, and (b) subject to the terms of the Arrangement Agreement, to disregard the IPC Shareholders' approval and not proceed with the Arrangement.
- (4) Any one director or officer of IPC is hereby authorized and directed, for and on behalf of IPC, to execute or cause to be executed, under the corporate seal of IPC or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such director's or officer's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE C

REPRESENTATIONS AND WARRANTIES OF IPC

(a) **Organization and Qualification.** Each of IPC and its Material Subsidiaries is a corporation or partnership duly incorporated or formed, as applicable, validly existing and in good standing under the Laws of its jurisdiction of incorporation or formation and has the requisite power and authority to own its assets and properties as now owned and to carry on its business as it is now being conducted. IPC is, and its Material Subsidiaries are, duly registered and authorized to conduct its affairs and to do business, as applicable, and each is in good standing in each jurisdiction in which the nature and character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities, makes such registration or authorization necessary, except where the failure to be so registered or authorized or in good standing would not have a Material Adverse Effect on IPC and its Material Subsidiaries, taken as a whole.

(b) **Authority Relative this Agreement.** IPC has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by IPC in the Arrangement contemplated hereby have been duly authorized by the IPC Board and, subject to the approval of the IPC Shareholders of the IPC Share Issuance Resolution, no other corporate proceedings on the part of IPC are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by IPC and constitutes a legal, valid and binding obligation of IPC enforceable against it in accordance with its terms, subject to the qualifications that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

(c) **Subsidiaries.** Except as disclosed in the IPC Disclosure Letter, IPC has no Subsidiaries, nor does it own, directly or indirectly, any interests in any other corporations, joint ventures, partnerships or other entities (whether or not incorporated). Except for the restrictions set forth in the IPC Credit Facilities, none of the Subsidiaries of IPC is currently prohibited, directly or indirectly, from paying any dividends to IPC or any of its Subsidiaries, from making any other distribution on such Subsidiary's securities or other ownership interests, or from repaying to IPC or any of its Subsidiaries any loans or advances to such Subsidiary from IPC or any of its Subsidiaries. Except as disclosed in the IPC Disclosure Letter, IPC is the beneficial owner, directly or indirectly, of all of the outstanding voting and equity securities of its Subsidiaries, free and clear of any and all Encumbrances (except Permitted Encumbrances). There are no outstanding options, warrants or other rights, plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by any of IPC's Subsidiaries of any securities or other ownership interests of IPC's Subsidiaries or any securities or other ownership interests convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of any of IPC's Subsidiaries. All outstanding securities or other ownership interests of IPC's Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any Pre-Emptive Right.

(d) **No Violations.**

(i) Neither IPC nor any of its Subsidiaries is in violation of its articles, by-laws or other constating documents (including any applicable partnership, shareholder or operating agreements) or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which IPC or any of its Subsidiaries is a party or to which any of them, or any of their respective assets or properties, may be subject or by which IPC or any of its Subsidiaries is bound, except for such defaults which would not have a Material Adverse Effect on IPC and its Subsidiaries, taken as a whole;

- (ii) except for the restrictions set forth in the IPC Credit Facilities, neither the execution and delivery of this Agreement by IPC nor the consummation of the Arrangement contemplated hereby nor compliance by IPC with any of the provisions hereof will: (A) violate, conflict with or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance (other than Permitted Encumbrances) upon any of the assets or properties of IPC or any of its Subsidiaries or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of (1) their respective articles, by-laws or other constating documents (including any applicable partnership, shareholder or operating agreements), or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which IPC or any of its Subsidiaries is a party or to which any of them, or any of their respective assets or properties, may be subject or by which IPC or any of its Subsidiaries is bound; or (B) subject to compliance with applicable Laws, violate any Laws, judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to IPC or any of its Subsidiaries or any of their respective properties or assets; or (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect, except, in the case of each of clauses (A)(2), (B) or (C) above, for such violations, conflicts, breaches, defaults, terminations, accelerations, creations of Encumbrances, suspensions or revocations which, or any consents, approvals or notices which if not given or received, would not significantly impede the ability of IPC to consummate the transactions contemplated by the Arrangement; and
- (iii) other than in connection with or in compliance with the provisions of applicable Securities Laws, the CBCA, the Competition Act and or other similar applicable Laws (including any Laws that regulate competition, antitrust, foreign investment or transportation), the terms of the Interim Order and the Final Order in respect of the Arrangement, the IPC Shareholder approval of the IPC Share Issuance Resolution, the approvals of the Exchanges and the filing of the Articles of Arrangement, (A) there is no legal impediment to IPC's consummation of the Arrangement, and (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of IPC in connection with the consummation of the Arrangement, except for such filings or registration which, if not made, or for such authorizations, consents or approvals which, if not received, would not have a Material Adverse Effect on IPC and its Subsidiaries, taken as a whole.

(e) **Litigation.** There are no actions, suits, proceedings or investigations by Governmental Entities or any other Person pending or, to the knowledge of IPC, threatened, affecting or that would reasonably be expected to have a Material Adverse Effect on IPC and its Subsidiaries, taken as a whole, at Law or equity or before or by any court or Governmental Entity which action, suit, proceeding or investigation involves a possibility of any judgment against or liability of IPC or any of its Subsidiaries which, if successful, would have a Material Adverse Effect on IPC and its Subsidiaries, taken as a whole, or would significantly impede the ability of IPC to consummate the transactions contemplated by the Arrangement. Neither IPC nor any of its Subsidiaries is subject to any outstanding order, writ, injunction or decree that has or would reasonably be expected to have a Material Adverse Effect on IPC and its Subsidiaries, taken as a whole, or would significantly impede the ability of IPC to consummate the transactions contemplated by the Arrangement.

(f) **Tax Returns Filed and Taxes Paid.**

- (i) All Tax Returns required to be filed by or on behalf of IPC or any of its Subsidiaries have been duly filed on a timely basis and such Tax Returns are true, complete and correct in all material respects. All Taxes shown to be payable on such Tax Returns or on

subsequent assessments or reassessments with respect thereto have been paid in full on a timely basis, and, other than Taxes being contested in good faith and for which adequate reserves in accordance with IFRS have been established, no amount of Taxes are payable by IPC or any of its Subsidiaries with respect to items or periods covered by such Tax Returns that would have a Material Adverse Effect on IPC and its Subsidiaries taken as a whole;

- (ii) in all material respects, IPC and its Subsidiaries have duly and timely paid all Taxes, including all installments on account of Taxes for the current year, that are due and payable by them whether or not assessed by the appropriate Governmental Entity;
- (iii) (A) other than as disclosed in the IPC Disclosure Letter, neither IPC nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor has such an event been asserted or threatened against IPC and its Subsidiaries, or any of them, or any of their respective assets; (B) no waiver or extension of any statute of limitations is in effect with respect to Taxes or Tax Returns of IPC or any of its Subsidiaries and no request for any such waiver or extension is currently pending; (C) no Tax audit by any Governmental Entity of IPC or any of its Subsidiaries is in process or threatened; and (D) no written claim has been made to IPC or any of its Subsidiaries by any Governmental Entity in a jurisdiction where IPC and its Subsidiaries do not file Tax Returns that they are or may be subject to taxation by that jurisdiction;
- (iv) each of IPC and its Subsidiaries has duly and timely withheld all material amounts in respect of Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account or benefit of any Person, including any director, officer or employee and any non-resident Person), and has duly and timely remitted to the appropriate Governmental Entity such amounts required by Law to be remitted by it. Each of IPC and its Subsidiaries has complied in all material respects with all Tax information reporting provisions of all applicable Laws;
- (v) each of IPC and its Subsidiaries has duly and timely collected or self-assessed all material amounts on account of any sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and have duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it;
- (vi) none of Sections 17 or 78 or 80, 80.01, 80.02, 80.03 or 80.04 of the Tax Act, or any equivalent provision of the Tax Laws of any province or any other jurisdiction, have applied or will apply to any of IPC or its Subsidiaries at any time up to and including the Effective Time;
- (vii) none of IPC and its Subsidiaries has acquired property from, or transferred property to, a non-arm's length Person (within the meaning of the Tax Act) for consideration the value of which is less than the fair market value of the property acquired or transferred or, in the case where such consideration included debt payable by the acquiror, for debt with a principal amount which is less than the fair market value of the property acquired or transferred in consideration of such debt;
- (viii) for all transactions between any of IPC and its Subsidiaries and any non-resident Person with whom IPC or its Subsidiaries was not dealing at arm's length during a taxation year commencing after April 17, 2017 and ending on or before the Effective Date, each of IPC and its Subsidiaries has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act;

- (ix) there are no reserves under the Tax Act or any equivalent federal, provincial or territorial statute to be claimed by any of IPC or its Subsidiaries;
 - (x) there are no Tax liens or security interests on any of the assets of IPC or any of its Subsidiaries other than Permitted Encumbrances; and
 - (xi) neither IPC nor any of its Subsidiaries (A) has any liability for the Taxes of any other Person, (B) has ever filed, or has ever been required to file, a consolidated, combined or unitary Tax Return (other than Tax Returns which include only IPC or any of its Subsidiaries), (C) is a party to, or has any liability or obligation under, any agreement or arrangement relating to the sharing, allocation or indemnification of Taxes, or any similar agreement, contract or arrangement (collectively, "**Tax Sharing Agreements**"), or (D) has any liability for the Taxes of any Person as a transferee, successor or agent, by contract or otherwise.
- (g) **Tax Reserves.** IPC has paid or provided adequate accruals in the IPC Financial Statements for Taxes, including income Taxes and related future income Taxes, in accordance with IFRS.
- (h) **Tax Deficiencies; Audits.** No deficiencies exist or have been asserted with respect to Taxes of IPC or any of its Subsidiaries that would have a Material Adverse Effect on IPC and its Subsidiaries, taken as a whole. Neither IPC nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor, to the knowledge of IPC, has such an event been asserted or threatened against IPC or any of its Subsidiaries or any of their respective assets that would have a Material Adverse Effect on IPC and its Subsidiaries, taken as a whole.
- (i) **Reporting Issuer Status and Listing of the IPC Shares.** IPC is a reporting issuer in the Provinces of Alberta and Ontario and is in material compliance with all applicable Canadian Securities Laws therein. The currently issued and outstanding IPC Shares are listed and posted for trading on the Exchanges and IPC is in material compliance with the rules of the Exchanges. No delisting, suspension of trading in or cease trading order with respect to the IPC Shares is pending or, to the knowledge of IPC, threatened or is expected to be implemented or undertaken and, to its knowledge, IPC is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction.
- (j) **Capitalization.** The authorized share capital of IPC consists of: (i) an unlimited number of IPC Shares, (ii) an unlimited number of Class A Preferred Shares issuable in series; and (iii) an unlimited number of Class B Preferred Shares, issuable in series. As of the date hereof, there are issued and outstanding 87,921,846 IPC Shares, 117,485,389 Class A Preferred Shares and there are no other shares of any class or series outstanding. As of the date hereof, there are 3,374,832 IPC Shares issuable upon the exercise or settlement, as applicable, of outstanding IPC Incentive Awards. Other than IPC Shares issuable upon the exercise or settlement, as applicable, of the IPC Incentive Awards, there are no options, warrants or other rights, shareholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by IPC of any IPC Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any IPC Shares. All outstanding IPC Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any Pre-Emptive Rights, and all IPC Shares issuable upon the exercise or settlement, as applicable, of the IPC Incentive Awards in accordance with their respective terms will, when and if issued, be duly authorized and validly issued as fully paid and non-assessable and will not be subject to any Pre-Emptive Rights.
- (k) **Issuance of IPC Shares.** The IPC Shares to be issued pursuant to the Arrangement have been duly authorized for issuance and, upon completion of the Arrangement, will be validly issued as fully paid and non-assessable common shares of IPC.
- (l) **No Orders.** No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the IPC Shares or any other securities of IPC has been issued by any regulatory

authority and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of IPC, are contemplated or threatened under any applicable Laws or by any other Governmental Entity.

(m) **Equity Monetization Plans.** Other than the IPC Incentive Awards as disclosed in the IPC Disclosure Letter, there are no outstanding stock appreciation rights, phantom equity, profit sharing plan or similar rights, agreements, arrangements or commitments payable to any director, officer or employee of IPC or its Subsidiaries and which are based upon the share price, revenue, value, income or any other attribute of IPC or its Subsidiaries and all such IPC Incentive Awards outstanding are subject only to the terms and conditions of the IPC LTI Plans and the applicable grant agreements pursuant to which such IPC Incentive Awards were granted.

(n) **Public Disclosure.** As of their respective dates, (i) IPC's audited consolidated financial statements as at and for the fiscal year ended December 31, 2017 and unaudited consolidated financial statements as at and for the three and six months ended June 30, 2018 (collectively, the "**IPC Financial Statements**") and the related management's discussion and analysis of IPC, (ii) IPC's annual information form dated March 30, 2018, (iii) IPC's management information circular dated May 30, 2018 for its annual general meeting of IPC Shareholders held on July 10, 2018, (iv) all IPC press releases and material change reports or similar documents filed with any Canadian Securities Administrator or other securities commission or securities regulatory authority since December 31, 2017 and (v) all prospectuses or other offering documents used by IPC in the offering of its securities or filed since December 31, 2017 comprise all the financial statements, forms, reports, prospectuses and other documents required to be filed by virtue of applicable Securities Laws since December 31, 2017, did not, at the date of their filing, contain any Misrepresentation and complied in all material respects with applicable Securities Laws. Since December 31, 2017, IPC has not filed any confidential material change report that, as of the date hereof, remains confidential.

(o) **Filings.** IPC has made all material filings required by all applicable Governmental Entities and all such filings were, as of their respective dates, in compliance in all material respects with all applicable Laws.

(p) **Financial Statements.** The IPC Financial Statements were prepared in accordance with IFRS (except as otherwise indicated in such financial statements and the notes thereto or in the related report of IPC's independent auditors), and fairly present, in all material respects, the consolidated financial position, results of operations and cash flows of IPC on a consolidated basis as of the dates thereof and for the periods indicated therein and reflect appropriate and adequate reserves in respect of contingent liabilities, if any, of IPC on a consolidated basis. There has been no change in IPC's accounting policies, except as described in the notes to the IPC Financial Statements, since December 31, 2017.

(q) **Books and Records.** The financial books, records and accounts of IPC, in all material respects: (i) have been maintained in accordance with good business practices on a basis consistent with prior years; (ii) are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of IPC or any of its Subsidiaries, as applicable; and (iii) accurately and fairly reflect the basis for the IPC Financial Statements. The corporate records and minute books of IPC and its Material Subsidiaries have been maintained substantially in compliance with applicable Laws and are complete and accurate in all material respects (other than those minutes of the meetings of the IPC Board or committees thereof, including the IPC Special Committee, which are in draft form), and have been made available in their entirety to BlackPearl.

(r) **Absence of Undisclosed Liabilities.** IPC has no material obligations or liabilities of any nature (matured or unmatured, fixed or contingent), other than:

- (i) those set forth or adequately provided for in the balance sheet included in the IPC Financial Statements;

- (ii) those incurred in the ordinary course of business and not required to be set forth in the IPC Financial Statements under IFRS;
- (iii) those incurred in the ordinary course of business since the date of the IPC Financial Statements and consistent with past practice; and
- (iv) those incurred in connection with the execution of this Agreement.

(s) **No Material Adverse Change.** Since December 31, 2017: (i) except as publicly disclosed by IPC on SEDAR, IPC and its Subsidiaries have conducted their businesses only in the ordinary and normal course, (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to IPC and its Subsidiaries, taken as a whole, has been incurred, other than in the ordinary course of business, and (iii) there has not been any Material Adverse Change in respect of IPC and its Subsidiaries, taken as a whole.

(t) **Restrictions on Business Activities.** There is no judgment, injunction or order binding upon IPC or any of its Subsidiaries that has or could reasonably be expected to have the effect of prohibiting, restricting or impairing its business.

(u) **No Limitation.** There is no non-competition agreement, exclusivity agreement or any other agreement, commitment, understanding or obligation in place to which IPC or any of its Subsidiaries is a party or by which it is otherwise bound that would now or hereafter in any way limit the way the business or operations of IPC or any of its Subsidiaries is or is reasonably expected to be conducted in a particular manner or to a particular locality or geographic region or for a limited period of time, and the execution, delivery and performance of this Agreement does not and will not result in the restriction of IPC or any of its Subsidiaries from engaging in its business or from competing with any Person or in any geographic area.

(v) **Compliance with Laws.** The operations and business of IPC and each of its Subsidiaries is and has been carried out in compliance with and not in violation of any applicable Laws, in all material respects, and none of IPC or any of its Subsidiaries has received any notice of any alleged violation of any such applicable Laws.

(w) **Permits.** IPC has obtained and is in compliance, in all material respects, with all Permits relating to the assets, business or operations of IPC and its Subsidiaries. Such Permits are in full force and effect in accordance with their terms, and no event has occurred or circumstance exists which (with notice or lapse of time or both) may constitute or result in a violation of any such Permit except where such violation would not have a Material Adverse Effect on IPC and its Subsidiaries, taken as a whole. No proceedings are pending or, to the knowledge of IPC, threatened, which could result in the revocation or limitation of any such Permit, and all steps have been taken and filings made on a timely basis with respect to each such Permit and its renewal, except where the failure to take such steps and make such filings would not have a Material Adverse Effect on IPC and its Subsidiaries, taken as a whole.

(x) **Insurance.** Policies of insurance are in force naming IPC or its Subsidiaries, as applicable as an insured that adequately and reasonably cover all risks as are customarily covered by participants in the industry in which IPC operates and having regard to the nature of the risk insured and the relative cost of obtaining insurance to protect the interests of IPC and its Subsidiaries. All such policies shall remain in force and effect (subject to taking into account insurance market conditions and offerings and industry practices) and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.

(y) **Non-Arm's Length Transactions.** Except for amounts due as normal salaries and bonuses and in reimbursement of ordinary expenses, indemnity agreements in favour of directors and officers, existing employment agreements and existing agreements regarding the IPC Incentive Awards, there are no material contracts, agreements, arrangements or understandings or other transactions (including with

respect to loans or indebtedness) currently in place between IPC or any of its Subsidiaries, on the one hand, and: (i) any director, officer or employee of, or consultant to, IPC or any of its Subsidiaries; (ii) any holder of record or beneficial owner of 10% or more of the IPC Shares; or (iii) any associate or affiliate of such Person (collectively, the "**IPC Related Parties**"). No IPC Related Party, owns, has or is entitled to any royalty, net profits interest, carried interest or any other Encumbrances or claims of any nature whatsoever which are based on production from the assets or properties of IPC or any revenue or rights attributed thereto.

(z) **Material Agreements.** Each of the (i) contracts, agreements, arrangements and understandings containing any rights on the part of any Person, including joint venture partners or entities, to acquire oil and gas or other property rights from IPC or any of its Subsidiaries; (ii) contracts, agreements, arrangements and understandings containing any rights on the part of IPC or any of its Subsidiaries to acquire oil and gas or other property rights from any Person; (iii) contracts, agreements, arrangements and understandings to which IPC or one its Subsidiaries is a party in respect of which the applicable transaction has not yet been consummated for the acquisition or disposition of assets or securities or other equity interests of another Person; (iv) contracts, agreements, arrangements or understandings which entitle a party to rights of termination, the terms or conditions of which may or will be altered, or which entitle a party to any fee, payment, penalty or increased consideration, in each case as a result of the execution of this Agreement or the consummation of the transactions contemplated hereby including, without limitation, any seismic license or similar agreements; and (v) contracts, agreements, arrangements or understandings pursuant to which IPC will, or may reasonably be expected to result in a requirement of IPC to, expend more than an aggregate of \$10.0 million or receive or be entitled to receive revenue of more than an aggregate of \$10.0 million, in either case in the next 12 months, or which is material to IPC and its Subsidiaries, taken as a whole, and is out of the ordinary course of business of IPC or any of its Subsidiaries, constitutes a legal, valid and binding obligation of IPC or its Subsidiary, as applicable, enforceable in accordance with their respective terms and, to the knowledge of IPC, no party thereto is in default in the observance or performance of any term or obligation to be performed by it under any such contract, agreement, arrangement or understanding which is material to the business of IPC and no event has occurred which (with notice or lapse of time or both) would directly or indirectly constitute such a default, which default or event would reasonably be expected to have a Material Adverse Effect on IPC and its Subsidiaries, taken as a whole.

(aa) **IPC Credit Facilities and Other Long-Term Debt.** Other than the IPC Credit Facilities, neither IPC nor any of its Subsidiaries has any long term indebtedness or bank indebtedness. As of the date of this Agreement, the IPC Debt does not exceed \$300.0 million. IPC is not in default under the IPC Credit Facilities, and, to its knowledge, its lenders are not contemplating any reduction of the borrowing base under either of the IPC Credit Facilities prior to giving effect to the Arrangement, which reduction would reasonably be expected to have a Material Adverse Effect on IPC and its Subsidiaries, taken as a whole.

(bb) **Environmental.** In respect of the properties of IPC or any of its Subsidiaries and, to the knowledge of IPC, in respect of properties for which IPC or any of its Subsidiaries is not the operator, except to the extent that any violation or other matter referred to in this paragraph does not, and would not reasonably be expected to, have a Material Adverse Effect on IPC and its Subsidiaries, taken as a whole:

- (i) IPC and its Subsidiaries are not in violation of any applicable Environmental Laws;
- (ii) IPC and each of its Subsidiaries has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all Hazardous Substances in compliance with Environmental Laws;
- (iii) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of IPC or any of its Subsidiaries, of which IPC has notice;

- (iv) neither IPC nor any of its Subsidiaries has failed to report to the proper Governmental Entity the occurrence of any event which is required to be so reported by any Environmental Law;
 - (v) IPC and its Subsidiaries hold all Permits required in connection with the operation of their businesses and the ownership and use of their assets, all Permits are in full force and effect, and none of IPC or any of its Subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by any of them as a condition of continued compliance with any Environmental Laws or Permits issued pursuant thereto, or that any Permits referred to above are about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated; and
 - (vi) there are no pending or threatened claims, liens or Encumbrances (other than Permitted Encumbrances) resulting from Environmental Laws or violation or potential violation of Environmental Laws with respect to any of the properties currently or formerly owned, leased, operated or otherwise used by IPC or any of its Subsidiaries.
- (cc) **First Nations, Métis and Native Matters.** Neither IPC nor any of its Subsidiaries has received notice of any claim with respect to any of the assets or properties of IPC or any of its Subsidiaries for which IPC or any of its Subsidiaries has been served, either from First Nations, Métis, tribal or native authorities or any Governmental Entity, indicating that any of such assets or properties infringe upon or has an adverse effect on any aboriginal rights or interests of such First Nations, Métis, tribal or native authorities.
- (dd) **IPC Reserves Reports.** IPC has made available to ERCE and McDaniel, prior to the issuance of the IPC Reserves Reports for the purpose of preparing the IPC Reserves Reports, all material information requested by ERCE and McDaniel, which information did not contain any misrepresentation at the time such information was provided. IPC has no reason to believe that the IPC Reserves Reports were not accurate in all material respects as at the effective date thereof and, except with respect to changes in commodity prices, IPC has no knowledge of a material adverse change in any production, cost, price, reserves or other relevant information provided to ERCE or McDaniel since the date that such information was provided. IPC has provided to ERCE and McDaniel all material information concerning land descriptions, well data, facilities and infrastructure, ownership and operations, future development plans and historical technical and operating data respecting the principal oil and natural gas assets of IPC and its Subsidiaries, as at the effective date of the IPC Reserves Reports, and, in particular, all material information respecting the interests of each of IPC and its Subsidiaries, in its principal oil and natural gas assets and royalty burdens and net profits interest burdens thereon and such information was accurate and correct in all material respects as at the respective dates thereof and did not omit any information necessary to make any such information provided not misleading as at the respective dates thereof and there has been no material adverse change in any of the material information so provided since the date thereof.
- (ee) **Title.** Although it does not warrant title: (i) IPC does not have reason to believe that IPC or any of its Subsidiaries does not have good and marketable title to or the irrevocable right to produce and sell its petroleum, natural gas and related hydrocarbons and represents and warrants that such interests are free and clear of all Encumbrances (other than Permitted Encumbrances) created by, through or under IPC or any of its Subsidiaries, and IPC has not received written notice of any default or purported default under, nor has there been any act or omission by IPC or any of its Subsidiaries that could reasonably constitute a breach of or a default under, the leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements in which IPC or any of its Subsidiaries derives its interests in its oil and gas properties that have not been remedied in all material respects or if unremedied would have a Material Adverse Effect on IPC and its Subsidiaries, taken as a whole; and (ii) there are no defects, failures or impairments in the title of IPC to its assets, whether or not an action, suit, proceeding or inquiry is pending or threatened in writing or whether or not discovered by any third party, which in the aggregate, could materially adversely affect: (A) the quantity and pre-tax net present values of such

assets as reflected in the IPC Reserves Reports; (B) the current production volumes of IPC; or (C) the current cash flow of IPC.

(ff) **Pre-Emptive Rights.** There are no outstanding Pre-Emptive Rights which entitle any Person to acquire any of the rights, title, interests, property, licenses or assets of IPC or any of its Subsidiaries that will be triggered or accelerated by the Arrangement.

(gg) **No Insider Rights.** No director, officer, employee, insider or other Person not at arm's length to IPC or any of its Subsidiaries has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, participation interest or any other interest whatsoever, in any assets or properties of IPC or any of its Subsidiaries.

(hh) **Area of Mutual Interest.** None of the oil and gas assets or properties of IPC or any of its Subsidiaries is subject to or bound by any agreement containing any area of mutual interest or area of exclusion provisions.

(ii) **Take-or-Pay Obligations.** Neither IPC nor any of its Subsidiaries has any take-or-pay obligations of any kind or nature whatsoever.

(jj) **No Reduction of Interests.** Except as is reflected in the IPC Reserves Report, none of the oil and gas assets or properties of IPC or any of its Subsidiaries are subject to reduction by reference to payout of or production penalty on any well or otherwise, or to change to an interest of any other size or nature by virtue of or through any right or interest granted by, through or under IPC which would in the aggregate have a Material Adverse Effect on IPC and its Subsidiaries taken as whole.

(kk) **Royalties, Rentals and Taxes.** All royalties, and all ad valorem, property, production, severance and similar Taxes, assessment, deposits and rentals payable on or before the date hereof and based on, or measured by, IPC's or any of its Subsidiaries' ownership of its oil and gas assets or properties, the production of petroleum substances from its oil and gas assets or properties or the receipt of proceeds therefrom under the leases and other title and operating documents pertaining to IPC's or any of its Subsidiaries' oil and gas assets or properties payable on or before the date hereof, have been properly paid in full and in a timely manner to the extent that non-payment would have a Material Adverse Effect on IPC and its Subsidiaries taken as a whole.

(ll) **Production.** IPC's average daily production for the month of September 2018 was not less than 34,000 barrels of oil equivalent (boe) per day of natural gas, oil and natural gas liquids (based on a conversion ratio of six thousand cubic feet of gas for one boe used when converting natural gas to boe).

(mm) **Long-Term Derivative Transactions.** Except as disclosed in the IPC Financial Statements, neither IPC nor any of its Subsidiaries has material obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.

(nn) **Amounts Due to Employees.** All material amounts due or accrued for all salary, wages, bonuses, commissions, vacation with pay and other employee benefits or contractor payments in respect of current or former directors, officers, employees, consultants or agents of IPC or any of its Subsidiaries which are attributable to the period before the Effective Date are or shall be accurately reflected in the books and records of IPC or its Subsidiary, as applicable.

(oo) **Indebtedness To and By Directors, Officers and Others.** None of IPC or any of its Subsidiaries is indebted to any of the directors, officers or employees of, or consultants to, IPC or any of

its Subsidiaries or any of their respective associates or affiliates or other parties not at arm's length to IPC or any of its Subsidiaries, except for amounts due as normal compensation, reimbursement of ordinary business expenses or under employee benefit plans, nor is there any indebtedness owing by any such parties to IPC.

(pp) **Intellectual Property.**

- (i) Neither IPC nor any of its Subsidiaries has any right, title or interest in and to, nor does IPC or any of its Subsidiaries hold any, license in respect of any patents, trademarks, trade names, service marks, copyrights, know-how, trade secrets, software, technology, or any other intellectual property and proprietary rights that are material to the conduct of any business related to its assets, as now conducted;
- (ii) all computer hardware and their associated firmware and operating systems, application software, database engines and processed data, technology infrastructure and other computer systems used in connection with the conduct of any business related to the assets of IPC and its Subsidiaries (collectively, the "**Technology**") are up-to-date and reasonably sufficient for conducting any business related to the assets of IPC and its Subsidiaries, as now conducted;
- (iii) IPC and its Subsidiaries, as applicable, own or have validly licensed (and is not in breach of such licenses in any respect) such Technology; and
- (iv) IPC and its Subsidiaries have reasonably sufficient backup systems and audit procedures and disaster recovery strategies adequate to ensure the continuing availability of the functionality provided by the Technology, and have ownership of or a valid license to the intellectual property rights necessary to allow them to continue to provide the functionality provided by the Technology in the event of any malfunction of the Technology or other form of disaster affecting the Technology.

(qq) **Guarantees and Indemnification.** Except for guarantees, indemnification or any like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any of the Subsidiaries of IPC with respect to credit obligations of IPC, none of IPC or any of its Subsidiaries is a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the respective corporation or applicable Laws, and other than standard indemnity agreements in underwriting and agency agreements and in the ordinary course provided to service providers) or any like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person, other than guarantees of obligations of any other Subsidiary of IPC or industry typical indemnifications.

(rr) **Proceeds of Crime.** To the knowledge of IPC, neither it nor any of its Subsidiaries has, directly or indirectly, (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction or any official of any public international organization or (B) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the United States *Foreign Corrupt Practices Act of 1977*, as amended, or the rules and regulations promulgated thereunder, as amended, or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to IPC and any of its Subsidiaries and their respective operations and IPC and any of its Subsidiaries has instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such legislation.

(ss) **Board Approval and Recommendation.** The IPC Board, based on the recommendation of the IPC Special Committee and in reliance on, among other things, the advice of its financial advisor, has approved this Agreement, has unanimously determined the Arrangement and the entry by IPC into this

Agreement are in the best interests of IPC and the IPC Shareholders, and has resolved to unanimously recommend that the IPC Shareholders vote in favour of the IPC Share Issuance Resolution.

(tt) **Funds Available.** IPC has, and will at the Effective Time have, sufficient funds available to pay the amounts that may be payable pursuant to Section 8.4 of this Agreement.

(uu) **Accuracy of IPC Information.** The IPC Information will be true, complete and accurate in all material respects and shall not contain any Misrepresentation and shall contain all information in respect of IPC required by applicable Laws to be included in the Joint Information Circular.

(vv) **Disclosure.** The data and information in respect of IPC and its Subsidiaries and their respective assets, properties, liabilities, businesses, affairs and operations provided by or on behalf of IPC to or on behalf of BlackPearl was and is accurate and correct in all material respects as at the respective dates thereof and does not omit any data or information necessary to make any data or information provided not materially misleading as at the respective dates thereof.

(ww) **Investment Canada Act.** IPC is a "WTO investor" that is not a "state-owned enterprise" within the meaning of the Investment Canada Act.

SCHEDULE D

REPRESENTATIONS AND WARRANTIES OF BLACKPEARL

(a) **Organization and Qualification.** Each of BlackPearl and its Subsidiaries is a corporation or partnership duly incorporated or formed, as applicable, validly existing and in good standing under the Laws of its jurisdiction of incorporation or formation and has the requisite power and authority to own its assets and properties as now owned and to carry on its business as it is now being conducted. BlackPearl is, and its Subsidiaries are, duly registered and authorized to conduct its affairs and to do business, as applicable, and each is in good standing in each jurisdiction in which the nature and character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities, makes such registration or authorization necessary, except where the failure to be so registered or authorized or in good standing would not have a Material Adverse Effect on BlackPearl and its Subsidiaries, taken as a whole.

(b) **Authority Relative this Agreement.** BlackPearl has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by BlackPearl in the Arrangement contemplated hereby have been duly authorized by the BlackPearl Board and, subject to the approval of the BlackPearl Shareholders of the BlackPearl Arrangement Resolution as stipulated by the Court in the Interim Order, no other corporate proceedings on the part of BlackPearl are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by BlackPearl and constitutes a legal, valid and binding obligation of BlackPearl enforceable against it in accordance with its terms, subject to the qualifications that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

(c) **Subsidiaries.** Except as disclosed in the BlackPearl Disclosure Letter, BlackPearl has no Subsidiaries, nor does it own, directly or indirectly, any interests in any other corporations, joint ventures, partnerships or other entities (whether or not incorporated). Except for the restrictions set forth in the BlackPearl Credit Facility, none of the Subsidiaries of BlackPearl is currently prohibited, directly or indirectly, from paying any dividends to BlackPearl or any of its Subsidiaries, from making any other distribution on such Subsidiary's securities or other ownership interests, or from repaying to BlackPearl or any of its Subsidiaries any loans or advances to such Subsidiary from BlackPearl or any of its Subsidiaries. BlackPearl is the beneficial owner, directly or indirectly, of all of the outstanding voting and equity securities of its Subsidiaries, free and clear of any and all Encumbrances (except Permitted Encumbrances). There are no outstanding options, warrants or other rights, plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by any of BlackPearl's Subsidiaries of any securities or other ownership interests of BlackPearl's Subsidiaries or any securities or other ownership interests convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of any of BlackPearl's Subsidiaries. All outstanding securities or other ownership interests of BlackPearl's Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any Pre-Emptive Right.

(d) **No Violations.**

(i) Neither BlackPearl nor any of its Subsidiaries is in violation of its articles, by-laws or other constating documents (including any applicable partnership, shareholder or operating agreements) or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which BlackPearl or any of its Subsidiaries is a party or to which any of them, or any of their respective assets or properties, may be subject or by which BlackPearl or any of its

Subsidiaries is bound, except for such defaults which would not have a Material Adverse Effect on BlackPearl and its Subsidiaries, taken as a whole;

- (ii) neither the execution and delivery of this Agreement by BlackPearl nor the consummation of the Arrangement contemplated hereby nor compliance by BlackPearl with any of the provisions hereof will: (A) violate, conflict with or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance (other than Permitted Encumbrances) upon any of the assets or properties of BlackPearl or any of its Subsidiaries or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of (1) their respective articles, by-laws or other constating documents (including any applicable partnership, shareholder or operating agreements), or (2) other than in the case of the BlackPearl Notes as provided in the BlackPearl Note Purchase Agreement any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which BlackPearl or any of its Subsidiaries is a party or to which any of them, or any of their respective assets or properties, may be subject or by which BlackPearl or any of its Subsidiaries is bound; or (B) subject to compliance with applicable Laws, violate any Laws, judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to BlackPearl or any of its Subsidiaries or any of their respective properties or assets; or (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect, except, in the case of each of clauses (A)(2), (B) or (C) above, for such violations, conflicts, breaches, defaults, terminations, accelerations, creations of Encumbrances, suspensions or revocations which, or any consents, approvals or notice which if not given or received, would not significantly impede the ability of BlackPearl to consummate the transactions contemplated by the Arrangement; and
- (iii) other than in connection with or in compliance with the provisions of applicable Securities Laws, the CBCA, the Competition Act and or other similar applicable Laws (including any Laws that regulate competition, antitrust, foreign investment or transportation), the terms of the Interim Order and the Final Order in respect of the Arrangement, the BlackPearl Shareholder approval of the BlackPearl Arrangement Resolution, the approvals of the Exchanges and the filing of the Articles of Arrangement, (A) there is no legal impediment to BlackPearl's consummation of the Arrangement, and (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of BlackPearl in connection with the consummation of the Arrangement, except for such filings or registration which, if not made, or for such authorizations, consents or approvals which, if not received, would not have a Material Adverse Effect on BlackPearl and its Subsidiaries, taken as a whole.

(e) **Litigation.** There are no actions, suits, proceedings or investigations by Governmental Entities or any other Person pending or, to the knowledge of BlackPearl, threatened, affecting or that would reasonably be expected to have a Material Adverse Effect on BlackPearl and its Subsidiaries, taken as a whole, at Law or equity or before or by any court or Governmental Entity which action, suit, proceeding or investigation involves a possibility of any judgment against or liability of BlackPearl or any of its Subsidiaries which, if successful, would have a Material Adverse Effect on BlackPearl and its Subsidiaries, taken as a whole, or would significantly impede the ability of BlackPearl to consummate the transactions contemplated by the Arrangement. Neither BlackPearl nor any of its Subsidiaries is subject to any outstanding order, writ, injunction or decree that has or would reasonably be expected to have a Material Adverse Effect on BlackPearl and its Subsidiaries, taken as a whole, or would significantly impede the ability of BlackPearl to consummate the transactions contemplated by the Arrangement.

(f) **Tax Returns Filed and Taxes Paid.**

- (i) All Tax Returns required to be filed by or on behalf of BlackPearl or any of its Subsidiaries have been duly filed on a timely basis and such Tax Returns are true, complete and correct in all material respects. All Taxes shown to be payable on such Tax Returns or on subsequent assessments or reassessments with respect thereto have been paid in full on a timely basis, and, other than Taxes being contested in good faith and for which adequate reserves in accordance with IFRS have been established, no amount of Taxes are payable by BlackPearl or any of its Subsidiaries with respect to items or periods covered by such Tax Returns that would have a Material Adverse Effect on BlackPearl and its Subsidiaries taken as a whole;
- (ii) In all material respects, BlackPearl and its Subsidiaries have duly and timely paid all Taxes, including all installments on account of Taxes for the current year, that are due and payable by them whether or not assessed by the appropriate Governmental Entity;
- (iii) BlackPearl has made available to IPC for review originals or true and complete copies of: (A) material portions of income tax audit reports, statements of deficiencies, closing or other agreements or correspondence concerning assessments, reassessments or audits pursuant to which a Governmental Entity has proposed amendments to previously filed Tax Returns received by or on behalf of BlackPearl or any of its Subsidiaries relating to Taxes; (B) any material federal, provincial, state, local or foreign income or franchise Tax Returns for BlackPearl and its Subsidiaries for all Tax years beginning after January 1, 2013; and (C) all material written communications to or from any Governmental Entity relating to the Taxes of BlackPearl and its Subsidiaries over such period have been made available to IPC;
- (iv) (A) neither BlackPearl nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor has such an event been asserted or threatened against BlackPearl and its Subsidiaries, or any of them, or any of their respective assets; (B) no waiver or extension of any statute of limitations is in effect with respect to Taxes or Tax Returns of BlackPearl or any of its Subsidiaries and no request for any such waiver or extension is currently pending; (C) no Tax audit by any Governmental Entity of BlackPearl or any of its Subsidiaries is in process or threatened; and (D) no written claim has been made to BlackPearl or any of its Subsidiaries by any Governmental Entity in a jurisdiction where BlackPearl and its Subsidiaries do not file Tax Returns that they are or may be subject to taxation by that jurisdiction;
- (v) BlackPearl has or will furnish IPC with originals or copies of all elections, designations or similar filings relating to Taxes of BlackPearl and its Subsidiaries and any agreement or other arrangement in respect of Taxes or Tax Returns of BlackPearl and its Subsidiaries that has effect for any period ending after the Effective Date;
- (vi) BlackPearl has made available to IPC originals or true and complete copies of all notices of assessment that have been received in respect of income, sales (including goods and services, harmonized sales and provincial or territorial sales) and capital tax liabilities of BlackPearl and its Subsidiaries for all taxation years or periods ending prior to and including the taxation year or period ended December 31, 2017;
- (vii) each of BlackPearl and its Subsidiaries has duly and timely withheld all material amounts in respect of Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account or benefit of any Person, including any director, officer or employee and any non-resident Person), and has duly and timely remitted to the appropriate Governmental Entity such amounts required by Law to be remitted by it. Each of BlackPearl and its Subsidiaries has

complied in all material respects with all Tax information reporting provisions of all applicable Laws;

- (viii) each of BlackPearl and its Subsidiaries has duly and timely collected or self-assessed all amounts on account of any sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and have duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it;
 - (ix) none of Sections 17 or 78 or 80, 80.01, 80.02, 80.03 or 80.04 of the Tax Act, or any equivalent provision of the Tax Laws of any province or any other jurisdiction, have applied or will apply to any of BlackPearl or its Subsidiaries at any time up to and including the Effective Time;
 - (x) none of BlackPearl and its Subsidiaries has acquired property from, or transferred property to, a non-arm's length Person (within the meaning of the Tax Act) for consideration the value of which is less than the fair market value of the property acquired or transferred or, in the case where such consideration included debt payable by the acquiror, for debt with a principal amount which is less than the fair market value of the property acquired or transferred in consideration of such debt;
 - (xi) for all transactions between any of BlackPearl and its Subsidiaries and any non-resident Person with whom BlackPearl or its Subsidiaries was not dealing at arm's length during a taxation year commencing after January 1, 2013 and ending on or before the Effective Date, each of BlackPearl and its Subsidiaries has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act;
 - (xii) there are no reserves under the Tax Act or any equivalent federal, provincial or territorial statute to be claimed by any of BlackPearl or its Subsidiaries;
 - (xiii) there are no Tax liens or security interests on any of the assets of BlackPearl or any of its Subsidiaries other than Permitted Encumbrances;
 - (xiv) neither BlackPearl nor any of its Subsidiaries (A) has any liability for the Taxes of any other Person, (B) has ever filed, or has ever been required to file, a consolidated, combined or unitary Tax Return (other than Tax Returns which include only BlackPearl or any of its Subsidiaries), (C) is a party to, or has any liability or obligation under, any agreement or arrangement relating to the sharing, allocation or indemnification of Taxes, or any similar agreement, contract or arrangement (collectively, "**Tax Sharing Agreements**"), or (D) has any liability for the Taxes of any Person as a transferee, successor or agent, by contract or otherwise;
 - (xv) the aggregate tax attributes of BlackPearl and its Subsidiaries as of December 31, 2017 are not materially lower than as disclosed in the BlackPearl Disclosure Letter and BlackPearl has not undertaken any transactions out of the ordinary course of its business in the period beginning on January 1, 2018 and ending on the date hereof which would result in a material reduction in such aggregate tax attributes;
 - (xvi) BlackPearl has no outstanding obligations to incur and/or renounce any "Canadian exploration expense" or "Canadian development expense" in respect of any "flow-through shares" (each as defined in the Tax Act) that have been issued by BlackPearl.
- (g) **Tax Reserves.** BlackPearl has paid or provided adequate accruals in the BlackPearl Financial Statements for Taxes, including income Taxes and related future income Taxes, in accordance with IFRS.

(h) **Tax Deficiencies; Audits.** No deficiencies exist or have been asserted with respect to Taxes of BlackPearl or any of its Subsidiaries that would have a Material Adverse Effect on BlackPearl and its Subsidiaries, taken as a whole. Neither BlackPearl nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor, to the knowledge of BlackPearl, has such an event been asserted or threatened against BlackPearl or any of its Subsidiaries or any of their respective assets that would have a Material Adverse Effect on BlackPearl and its Subsidiaries, taken as a whole.

(i) **Reporting Issuer Status and Listing of the BlackPearl Shares.** BlackPearl is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and is in material compliance with all applicable Canadian Securities Laws therein. The currently issued and outstanding BlackPearl Shares are listed and posted for trading on the TSX and the BlackPearl Swedish Depositary Receipts of BlackPearl are listed on Nasdaq and BlackPearl is in material compliance with the rules of the Exchanges. No delisting, suspension of trading in or cease trading order with respect to the BlackPearl Shares is pending or, to the knowledge of BlackPearl, threatened or is expected to be implemented or undertaken and, to its knowledge, BlackPearl is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction.

(j) **Capitalization.** The authorized share capital of BlackPearl consists of an unlimited number of BlackPearl Shares. As of the date hereof, there are issued and outstanding 336,858,840 BlackPearl Shares and there are no other shares of any class or series outstanding. As of the date hereof, there are 28,419,658 BlackPearl Shares issuable upon the exercise or settlement, as applicable, of outstanding BlackPearl Incentive Awards. Other than BlackPearl Shares issuable upon the exercise or settlement, as applicable, of the BlackPearl Incentive Awards, there are no options, warrants or other rights, shareholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by BlackPearl of any BlackPearl Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any BlackPearl Shares. All outstanding BlackPearl Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any Pre-Emptive Rights, and all BlackPearl Shares issuable upon the exercise or settlement, as applicable, of the BlackPearl Incentive Awards in accordance with their respective terms will, when and if issued, be duly authorized and validly issued as fully paid and non-assessable and will not be subject to any Pre-Emptive Rights.

(k) **No Orders.** No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the BlackPearl Shares or any other securities of BlackPearl has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of BlackPearl, are contemplated or threatened under any applicable Laws or by any other Governmental Entity.

(l) **Equity Monetization Plans.** Other than the BlackPearl Incentive Awards as disclosed in the BlackPearl Disclosure Letter, there are no outstanding stock appreciation rights, phantom equity, profit sharing plan or similar rights, agreements, arrangements or commitments payable to any director, officer or employee of BlackPearl or its Subsidiaries and which are based upon the share price, revenue, value, income or any other attribute of BlackPearl or its Subsidiaries and all such BlackPearl Incentive Awards outstanding are subject only to the terms and conditions of the BlackPearl LTI Plans and the applicable grant agreements pursuant to which such BlackPearl Incentive Awards were granted.

(m) **Public Disclosure.** As of their respective dates, (i) BlackPearl's audited consolidated financial statements as at and for the fiscal year ended December 31, 2017 and unaudited consolidated financial statements as at and for the three and six months ended June 30, 2018 (collectively, the "**BlackPearl Financial Statements**") and the related management's discussion and analysis of BlackPearl, (ii) BlackPearl's annual information form dated February 21, 2018, (iii) BlackPearl's management information circular dated March 20, 2018 for its annual and special meeting of BlackPearl Shareholders held on May 3, 2018, (iv) all BlackPearl press releases and material change reports or similar documents filed with any Canadian Securities Administrator or other securities commission or securities regulatory authority since December 31, 2017 and (v) all prospectuses or other offering documents used by BlackPearl in the offering of its securities or filed since December 31, 2017 comprise all the financial statements, forms,

reports, prospectuses and other documents required to be filed by virtue of applicable Securities Laws since December 31, 2017, did not, at the date of their filing contain any Misrepresentation and complied in all material respects with applicable Securities Laws. Since December 31, 2017, BlackPearl has not filed any confidential material change report that, as of the date hereof, remains confidential.

(n) **Filings.** BlackPearl has made all material filings required by all applicable Governmental Entities and all such filings were, as of their respective dates, in compliance in all material respects with all applicable Laws.

(o) **Financial Statements.** The BlackPearl Financial Statements were prepared in accordance with IFRS (except as otherwise indicated in such financial statements and the notes thereto or in the related report of BlackPearl's independent auditors), and fairly present, in all material respects, the consolidated financial position, results of operations and cash flows of BlackPearl on a consolidated basis as of the dates thereof and for the periods indicated therein and reflect appropriate and adequate reserves in respect of contingent liabilities, if any, of BlackPearl on a consolidated basis. There has been no change in BlackPearl's accounting policies, except as described in the notes to the BlackPearl Financial Statements, since December 31, 2017.

(p) **Books and Records.** The financial books, records and accounts of BlackPearl, in all material respects: (i) have been maintained in accordance with good business practices on a basis consistent with prior years; (ii) are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of BlackPearl or any of its Subsidiaries, as applicable; and (iii) accurately and fairly reflect the basis for the BlackPearl Financial Statements. The corporate records and minute books of BlackPearl and its Material Subsidiaries have been maintained substantially in compliance with applicable Laws and are complete and accurate in all material respects (other than those minutes of the meetings of the BlackPearl Board or committees thereof, including the BlackPearl Special Committee, which are in draft form), and have been made available in their entirety to IPC.

(q) **Absence of Undisclosed Liabilities.** BlackPearl has no material obligations or liabilities of any nature (matured or unmatured, fixed or contingent), other than:

- (i) those set forth or adequately provided for in the balance sheet included in the BlackPearl Financial Statements;
- (ii) those incurred in the ordinary course of business and not required to be set forth in the BlackPearl Financial Statements under IFRS;
- (iii) those incurred in the ordinary course of business since the date of the BlackPearl Financial Statements and consistent with past practice;
- (iv) inter-company indebtedness or liabilities;
- (v) those incurred in connection with the execution of this Agreement.

(r) **Off-Balance Sheet Arrangements.** Neither BlackPearl nor any of its Subsidiaries have any "off-balance sheet arrangements" (as such term is defined under IFRS).

(s) **No Material Adverse Change.** Except as reflected in the BlackPearl Financial Statements, since December 31, 2017: (i) BlackPearl and its Subsidiaries have conducted their businesses only in the ordinary and normal course, (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to BlackPearl and its Subsidiaries, taken as a whole, has been incurred, other than in the ordinary course of business, and (iii) there has not been any Material Adverse Change in respect of BlackPearl and its Subsidiaries, taken as a whole.

(t) **Restrictions on Business Activities.** There is no judgment, injunction or order binding upon BlackPearl or any of its Subsidiaries that has or could reasonably be expected to have the effect of prohibiting, restricting or impairing its business.

(u) **No Limitation.** There is no non-competition agreement, exclusivity agreement or any other agreement, commitment, understanding or obligation in place to which BlackPearl or any of its Subsidiaries is a party or by which it is otherwise bound that would now or hereafter in any way limit the way the business or operations of BlackPearl or any of its Subsidiaries is or is reasonably expected to be conducted in a particular manner or to a particular locality or geographic region or for a limited period of time, and the execution, delivery and performance of this Agreement does not and will not result in the restriction of BlackPearl or any of its Subsidiaries from engaging in its business or from competing with any Person or in any geographic area.

(v) **Compliance with Laws.** The operations and business of BlackPearl and each of its Subsidiaries is and has been carried out in compliance with and not in violation of any applicable Laws, in all material respects, and none of BlackPearl or any of its Subsidiaries has received any notice of any alleged violation of any such applicable Laws.

(w) **Permits.** BlackPearl has obtained and is in compliance, in all material respects, with all Permits relating to the assets, business or operations of BlackPearl and its Subsidiaries. Such Permits are in full force and effect in accordance with their terms, and no event has occurred or circumstance exists which (with notice or lapse of time or both) may constitute or result in a violation of any such Permit except where such violation would not have a Material Adverse Effect on BlackPearl and its Subsidiaries, taken as a whole. No proceedings are pending or, to the knowledge of BlackPearl, threatened, which could result in the revocation or limitation of any such Permit, and all steps have been taken and filings made on a timely basis with respect to each such Permit and its renewal, except where the failure to take such steps and make such filings would not have a Material Adverse Effect on BlackPearl and its Subsidiaries, taken as a whole.

(x) **Insurance.** Policies of insurance are in force naming BlackPearl or its Subsidiaries, as applicable as an insured that adequately and reasonably cover all risks as are customarily covered by participants in the industry in which BlackPearl operates and having regard to the nature of the risk insured and the relative cost of obtaining insurance to protect the interests of BlackPearl and its Subsidiaries. All such policies shall remain in force and effect (subject to taking into account insurance market conditions and offerings and industry practices) and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.

(y) **Non-Arm's Length Transactions.** Except for amounts due as normal salaries and bonuses and in reimbursement of ordinary expenses, indemnity agreements in favour of directors and officers, existing employment agreements and existing agreements regarding the BlackPearl Incentive Awards, there are no material contracts, agreements, arrangements or understandings or other transactions (including with respect to loans or indebtedness) currently in place between BlackPearl or any of its Subsidiaries, on the one hand, and: (i) any director, officer or employee of, or consultant to, BlackPearl or any of its Subsidiaries; (ii) any holder of record or beneficial owner of 10% or more of the BlackPearl Shares; or (iii) any associate or affiliate of such Person (collectively, the "**BlackPearl Related Parties**"). No BlackPearl Related Party, owns, has or is entitled to any royalty, net profits interest, carried interest or any other Encumbrances or claims of any nature whatsoever which are based on production from the assets or properties of BlackPearl or any revenue or rights attributed thereto.

(z) **Material Agreements.** Set forth in the BlackPearl Disclosure Letter BlackPearl is a list of all of the following (collectively, the "**BlackPearl Material Agreements**"), complete and correct copies of which have been provided to IPC prior to the date hereof: (i) all contracts, agreements, arrangements or understandings containing any rights on the part of any Person, including joint venture partners or entities, to acquire oil and gas or other property rights from BlackPearl or any of its Subsidiaries; (ii) all contracts, agreements, arrangements or understandings containing any rights on the part of BlackPearl or any of its Subsidiaries to acquire oil and gas or other property rights from any Person; (iii) any contract,

agreement, arrangement or understanding to which BlackPearl or one its Subsidiaries is a party in respect of which the applicable transaction has not yet been consummated for the acquisition or disposition of assets or securities or other equity interests of another Person; (iv) any standstill or similar contract, agreement, arrangement or understanding currently restricting the ability of BlackPearl or any of its Subsidiaries to offer to purchase or purchase the assets or equity securities of another Person; (v) all contracts, agreements, arrangements or understandings which entitle a party to rights of termination, the terms or conditions of which may or will be altered, or which entitle a party to any fee, payment, penalty or increased consideration, in each case as a result of the execution of this Agreement or the consummation of the transactions contemplated hereby including, without limitation, any seismic license or similar agreements; and (vi) all contracts, agreements, arrangements or understandings pursuant to which BlackPearl will, or may reasonably be expected to result in a requirement of BlackPearl to, expend more than an aggregate of \$10.0 million or receive or be entitled to receive revenue of more than an aggregate of \$10.0 million, in either case in the next 12 months, or is out of the ordinary course of business of BlackPearl or any of its Subsidiaries. Each of such BlackPearl Material Agreements constitutes a legal, valid and binding obligation of BlackPearl or its Subsidiary, as applicable, enforceable in accordance with their respective terms and, to the knowledge of BlackPearl, no party thereto is in default in the observance or performance of any term or obligation to be performed by it under any such contract, agreement, arrangement or understanding which is material to the business of BlackPearl and no event has occurred which (with notice or lapse of time or both) would directly or indirectly constitute such a default, which default or event would reasonably be expected to have a Material Adverse Effect on BlackPearl and its Subsidiaries, taken as a whole.

(aa) **BlackPearl Credit Facilities and Other Long-Term Debt.** Except as disclosed in the BlackPearl Disclosure Letter and other than the BlackPearl Credit Facility and the BlackPearl Notes, neither BlackPearl nor any of its Subsidiaries has any long term indebtedness or bank indebtedness. As of the date of this Agreement, the BlackPearl Debt does not exceed \$135.0 million. BlackPearl is not in default under the BlackPearl Credit Facility or the BlackPearl Note Purchase Agreement, and, to its knowledge, its lenders are not contemplating any reduction under the BlackPearl Credit Facility borrowing base, prior to giving effect to the Arrangement.

(bb) **Environmental.** In respect of the properties of BlackPearl or any of its Subsidiaries and, to the knowledge of BlackPearl, in respect of properties for which BlackPearl or any of its Subsidiaries is not the operator, except to the extent that any violation or other matter referred to in this paragraph does not, and would not reasonably be expected to, have a Material Adverse Effect on BlackPearl and its Subsidiaries, taken as a whole:

- (i) BlackPearl and its Subsidiaries are not in violation of any applicable Environmental Laws;
- (ii) BlackPearl and each of its Subsidiaries has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all Hazardous Substances in compliance with Environmental Laws;
- (iii) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of BlackPearl or any of its Subsidiaries, of which BlackPearl has notice;
- (iv) neither BlackPearl nor any of its Subsidiaries has failed to report to the proper Governmental Entity the occurrence of any event which is required to be so reported by any Environmental Law;
- (v) BlackPearl and its Subsidiaries hold all Permits required in connection with the operation of their businesses and the ownership and use of their assets, all Permits are in full force and effect, and none of BlackPearl or any of its Subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by any of them as a condition of continued compliance with any Environmental Laws or Permits issued pursuant thereto, or that any

Permits referred to above are about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated; and

- (vi) there are no pending or threatened claims, liens or Encumbrances (other than Permitted Encumbrances) resulting from Environmental Laws or violation or potential violation of Environmental Laws with respect to any of the properties currently or formerly owned, leased, operated or otherwise used by BlackPearl or any of its Subsidiaries.

(cc) **First Nations, Métis and Native Matters.** The BlackPearl Disclosure Letter discloses all of the contracts, agreements, arrangements or understandings to which BlackPearl or any of its Subsidiaries is a party with First Nations, Métis, tribal or native authorities or communities in relation to the environment or development of communities in the vicinity of any of the assets or properties of BlackPearl or any of its Subsidiaries which are material to BlackPearl and its Subsidiaries, taken as a whole. Neither BlackPearl nor any of its Subsidiaries has received notice of any claim with respect to any of the assets or properties of BlackPearl or any of its Subsidiaries for which BlackPearl or any of its Subsidiaries has been served, either from First Nations, Métis, tribal or native authorities or any Governmental Entity, indicating that any of such assets or properties infringe upon or has an adverse effect on any aboriginal rights or interests of such First Nations, Métis, tribal or native authorities.

(dd) **BlackPearl Reserves Reports.** BlackPearl has made available to Sproule, prior to the issuance of the BlackPearl Reserves Reports for the purpose of preparing the BlackPearl Reserves Reports, all information requested by Sproule, which information did not contain any misrepresentation at the time such information was provided. BlackPearl has no reason to believe that the BlackPearl Reserves Reports were not accurate in all material respects as at the effective date thereof and, except with respect to changes in commodity prices, BlackPearl has no knowledge of a material adverse change in any production, cost, price, reserves or other relevant information provided to Sproule since the date that such information was provided. BlackPearl has provided to Sproule all material information concerning land descriptions, well data, facilities and infrastructure, ownership and operations, future development plans and historical technical and operating data respecting the principal oil and natural gas assets of BlackPearl and its Subsidiaries, as at the effective date of the BlackPearl Reserves Reports, and, in particular, all material information respecting the interests of each of BlackPearl and its Subsidiaries, in its principal oil and natural gas assets and royalty burdens and net profits interest burdens thereon and such information was accurate and correct in all material respects as at the respective dates thereof and did not omit any information necessary to make any such information provided not misleading as at the respective dates thereof and there has been no material adverse change in any of the material information so provided since the date thereof.

(ee) **Title.** Although it does not warrant title: (i) BlackPearl does not have reason to believe that BlackPearl or any of its Subsidiaries does not have good and marketable title to or the irrevocable right to produce and sell its petroleum, natural gas and related hydrocarbons and represents and warrants that such interests are free and clear of all Encumbrances (other than Permitted Encumbrances) created by, through or under BlackPearl or any of its Subsidiaries, and BlackPearl has not received written notice of any default or purported default under, nor has there been any act or omission by BlackPearl or any of its Subsidiaries that could reasonably constitute a breach of or a default under, the leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements in which BlackPearl or any of its Subsidiaries derives its interests in its oil and gas properties that have not been remedied in all material respects or if unremedied would have a Material Adverse Effect on BlackPearl and its Subsidiaries, taken as a whole; and (ii) there are no defects, failures or impairments in the title of BlackPearl to its assets, whether or not an action, suit, proceeding or inquiry is pending or threatened in writing or whether or not discovered by any third party, which in the aggregate, could materially adversely affect: (A) the quantity and pre-tax net present values of such assets as reflected in the BlackPearl Reserves Reports; (B) the current production volumes of BlackPearl; or (C) the current cash flow of BlackPearl.

(ff) **Pre-Emptive Rights.** There are no outstanding Pre-Emptive Rights which entitle any Person to acquire any of the rights, title, interests, property, licenses or assets of BlackPearl or any of its Subsidiaries that will be triggered or accelerated by the Arrangement.

(gg) **No Insider Rights.** No director, officer, employee, insider or other Person not at arm's length to BlackPearl or any of its Subsidiaries has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, participation interest or any other interest whatsoever, in any assets or properties of BlackPearl or any of its Subsidiaries.

(hh) **Area of Mutual Interest.** None of the oil and gas assets or properties of BlackPearl or any of its Subsidiaries is subject to or bound by any agreement containing any area of mutual interest or area of exclusion provisions.

(ii) **Take-or-Pay Obligations.** Except as disclosed in the BlackPearl Disclosure Letter, neither BlackPearl nor any of its Subsidiaries has any take-or-pay obligations of any kind or nature whatsoever.

(jj) **No Reduction of Interests.** Except as is reflected in the BlackPearl Reserves Report, none of the oil and gas assets or properties of BlackPearl or any of its Subsidiaries are subject to reduction by reference to payout of or production penalty on any well or otherwise, or to change to an interest of any other size or nature by virtue of or through any right or interest granted by, through or under BlackPearl which would in the aggregate have a Material Adverse Effect on BlackPearl and its Subsidiaries taken as whole.

(kk) **Royalties, Rentals and Taxes.** All royalties, and all ad valorem, property, production, severance and similar Taxes, assessment, deposits and rentals payable on or before the date hereof and based on, or measured by, BlackPearl's or any of its Subsidiaries' ownership of its oil and gas assets or properties, the production of petroleum substances from its oil and gas assets or properties or the receipt of proceeds therefrom under the leases and other title and operating documents pertaining to BlackPearl's or any of its Subsidiaries' oil and gas assets or properties payable on or before the date hereof, have been properly paid in full and in a timely manner to the extent that non-payment would have a Material Adverse Effect on BlackPearl and its Subsidiaries taken as a whole.

(ll) **Production.** BlackPearl's average daily production for the month of September 2018 was not less than 14,000 boe per day of natural gas, oil and natural gas liquids (based on a conversion ratio of six thousand cubic feet of gas for one boe used when converting natural gas to boe).

(mm) **Tax Pools.** BlackPearl's tax pools as at January 1, 2018 were not less than \$730 million, including not less than \$30 million of Canadian exploration expense, \$45 million of Canadian development expense, \$5 million of Canadian oil and gas property expense, \$300 million of undepreciated capital cost, \$350 million of non-capital losses and other tax pools.

(nn) **Long-Term Derivative Transactions.** Except as disclosed in the BlackPearl Financial Statements or the BlackPearl Disclosure Letter, neither BlackPearl nor any of its Subsidiaries has material obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.

(oo) **Employee Benefit Plans.** BlackPearl has made available to IPC true, complete and correct copies of each material health, medical, dental, welfare, supplemental unemployment benefit, bonus, profit sharing, option, insurance, incentive, incentive compensation, deferred compensation, share purchase, share-based compensation, disability, pension, retirement or supplemental retirement plan and

each other employee or director compensation or benefit plan, agreement or arrangement, whether written or unwritten, tax-qualified or non-qualified, funded or unfunded, for the benefit of directors or former directors of BlackPearl and/or its Subsidiaries, employees or former employees of BlackPearl and/or its Subsidiaries, consultants or former consultants of BlackPearl and/or its Subsidiaries which are maintained by, contributed to, or in respect of which BlackPearl or any Subsidiary thereof has any actual or potential liability (the "**BlackPearl Employee Plans**"), and:

- (i) each BlackPearl Employee Plan has been maintained and administered in material compliance with its terms and in accordance with applicable Laws;
 - (ii) all required employer contributions or premiums under any such plans have been made in material compliance with the terms thereof;
 - (iii) each BlackPearl Employee Plan that is required or intended to be qualified under applicable Law or registered or approved by a Governmental Entity has been so qualified, registered or approved by the appropriate Governmental Entity, and nothing has occurred since the date of the last qualification, registration or approval which could reasonably be expected to materially adversely affect, or cause, the appropriate Governmental Entity to revoke such qualification, registration or approval;
 - (iv) there are no pending or anticipated material claims against or otherwise involving any of the BlackPearl Employee Plans (excluding claims for benefits incurred in the ordinary course of BlackPearl Employee Plan activities) and no suit, action or other litigation (excluding claims for benefits incurred in the ordinary course of BlackPearl Employee Plan activities) has been brought against or with respect to any BlackPearl Employee Plan;
 - (v) all material contributions, reserves or premium payments required to be made to the BlackPearl Employee Plans have been made or accrued for in the books and records of BlackPearl;
 - (vi) BlackPearl has no liability for or obligation to provide any retiree or other post-employment health or life benefits under any BlackPearl Employee Plan except as may be required by Law;
- (pp) **Employment Agreements and Collective Agreements.**
- (i) BlackPearl has included in the BlackPearl Disclosure Letter a list of all BlackPearl Employees and the age, position, length of service, location of employment, active or inactive status, compensation and benefits of each BlackPearl Employee. Except as disclosed in the BlackPearl Disclosure Letter, no BlackPearl Employee is on long-term disability leave, maternity leave, parental leave, statutory leave or any other form of extended leave or absence;
 - (ii) all of the Persons who are receiving remuneration for work or services provided to BlackPearl or any of its Subsidiaries who are not BlackPearl Employees are treated as independent contractors, are properly characterized as independent contractors and are not likely to be characterized by any Governmental Entity as employees;
 - (iii) other than the BlackPearl Employment Agreements, neither BlackPearl nor any of its Subsidiaries is a party to, or is engaged in any negotiations with respect to, any employment agreement with any officer or employee or any written agreement or policy providing for severance, termination or change of control payments to any director, officer or employee of BlackPearl;

- (iv) neither BlackPearl nor any of its Subsidiaries is a party to or bound by any collective bargaining agreement, labour contract, letter of understanding, letter of intent, voluntary recognition agreement or legally binding commitment to any labour union, trade union or employee organization or group which may qualify as a trade union in respect of the BlackPearl Employees nor is BlackPearl or any of its Subsidiaries currently engaged in any labour negotiation or subject to any union organization effort or any actual or threatened application for certification or bargaining rights or letter of understanding with respect to any current or former employee of BlackPearl;
- (v) to the knowledge of BlackPearl, there is no labour strike, dispute, lock-out, work slowdown or stoppage pending or involving or threatened against BlackPearl or any of its Subsidiaries;
- (vi) neither BlackPearl nor any of its Subsidiaries has engaged in any unfair labour practice nor is there any pending or threatened complaint, grievance or arbitration proceeding against BlackPearl or any of its Subsidiaries regarding any unfair labour practice;
- (vii) BlackPearl and each of its Subsidiaries are in material compliance with all terms and conditions of employment and all Laws respecting employment, including human rights, privacy, employment standards, workers' compensation and occupational health and safety, and there are no actual or threatened claims, complaints, investigations or orders outstanding under any such Laws; and
- (viii) there are no material outstanding assessments, penalties, fines liens, charges, surcharges or other amounts due or owing by BlackPearl or any of its Subsidiaries pursuant to any workers' compensation Laws and BlackPearl has not been reassessed in any material respect under such Laws and no audit of BlackPearl is currently being performed pursuant to any applicable workers' compensation Laws.

(qq) **Amounts Due to Employees.** All material amounts due or accrued for all salary, wages, bonuses, commissions, vacation with pay and other employee benefits or contractor payments in respect of current or former directors, officers, employees, consultants or agents of BlackPearl or any of its Subsidiaries which are attributable to the period before the Effective Date will be paid at or prior to the Effective Time in amounts in the ordinary course of business consistent with past practice and are or shall be accurately reflected in the books and records of BlackPearl or its Subsidiary, as applicable.

(rr) **Indebtedness To and By Directors, Officers and Others.** None of BlackPearl or any of its Subsidiaries is indebted to any of the directors, officers or employees of, or consultants to, BlackPearl or any of its Subsidiaries or any of their respective associates or affiliates or other parties not at arm's length to BlackPearl or any of its Subsidiaries, except for amounts due as normal compensation or reimbursement of ordinary business expenses, nor is there any indebtedness owing by any such parties to BlackPearl.

(ss) **Intellectual Property.**

- (i) Neither BlackPearl nor any of its Subsidiaries has any right, title or interest in and to, nor does BlackPearl or any of its Subsidiaries hold any, license in respect of any patents, trademarks, trade names, service marks, copyrights, know-how, trade secrets, software, technology, or any other intellectual property and proprietary rights that are material to the conduct of any business related to its assets, as now conducted;
- (ii) all computer hardware and their associated firmware and operating systems, application software, database engines and processed data, technology infrastructure and other computer systems used in connection with the conduct of any business related to the assets of BlackPearl and its Subsidiaries (collectively, the "**Technology**") are up-to-date

and reasonably sufficient for conducting any business related to the assets of BlackPearl and its Subsidiaries, as now conducted;

- (iii) BlackPearl and its Subsidiaries, as applicable, own or have validly licensed (and is not in breach of such licenses in any respect) such Technology; and
- (iv) BlackPearl and its Subsidiaries have reasonably sufficient backup systems and audit procedures and disaster recovery strategies adequate to ensure the continuing availability of the functionality provided by the Technology, and have ownership of or a valid license to the intellectual property rights necessary to allow them to continue to provide the functionality provided by the Technology in the event of any malfunction of the Technology or other form of disaster affecting the Technology.

(tt) **Shareholder Rights Plan.** BlackPearl does not have and will not implement any shareholder rights plan or any other form of plan, contract, agreement, arrangement, instrument or understanding that shall trigger any rights to acquire BlackPearl Shares or other securities of BlackPearl or rights, entitlements or privileges in favour of any Person upon the entering into of this Agreement or the Arrangement, with the exception of the BlackPearl LTI Plans.

(uu) **Guarantees and Indemnification.** Except for guarantees, indemnification or any like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any of the Subsidiaries of BlackPearl with respect to credit obligations of BlackPearl, none of BlackPearl or any of its Subsidiaries is a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the respective corporation or applicable Laws, and other than standard indemnity agreements in underwriting and agency agreements and in the ordinary course provided to service providers) or any like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person, other than guarantees of obligations of any other Subsidiary of BlackPearl or industry typical indemnifications.

(vv) **Proceeds of Crime.** To the knowledge of BlackPearl, neither it nor any of its Subsidiaries has, directly or indirectly, (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction or any official of any public international organization or (B) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Corruption of Foreign Public Officials Act (Canada)*, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*, the *United States Foreign Corrupt Practices Act of 1977*, as amended, or the rules and regulations promulgated thereunder, as amended, or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to BlackPearl and any of its Subsidiaries and their respective operations and BlackPearl and any of its Subsidiaries has instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such legislation.

(ww) **Board Approval and Recommendation.** The BlackPearl Board, based on the recommendation of the BlackPearl Special Committee and in reliance on, among other things, the advice of its financial advisor, has unanimously endorsed the Arrangement and approved this Agreement, has unanimously determined the Arrangement and the entry by BlackPearl into this Agreement are in the best interests of BlackPearl and the BlackPearl Shareholders, and has resolved to unanimously recommend that the BlackPearl Shareholders vote in favour of the BlackPearl Arrangement Resolution.

(xx) **Funds Available.** BlackPearl has, and will at the Effective Time have, sufficient funds available to pay the amounts that may be payable pursuant to Section 8.3 or Section 8.4 of this Agreement.

(yy) **Financial Advisors.** Except for GMP Securities L.P., National Bank Financial Inc. and AltaCorp Capital Inc., BlackPearl has not retained any financial advisor, broker, agent, finder or investment banker, or paid or agreed to pay any financial advisor, broker, agent, finder or investment banker in connection

with the Arrangement. The fees payable GMP Securities L.P. for the delivery of the BlackPearl Fairness Opinion in respect of the Arrangement are not contingent on the completion of the Arrangement.

(zz) **BlackPearl Transaction Costs.** The BlackPearl Transaction Costs shall not exceed \$3.0 million in the aggregate and the BlackPearl Disclosure Letter sets forth BlackPearl's good faith estimate of each component of the BlackPearl Transaction Costs.

(aaa) **Accuracy of BlackPearl Information.** The BlackPearl Information will be true, complete and accurate in all material respects and shall not contain any Misrepresentation and shall contain all information in respect of BlackPearl required by applicable Laws to be included in the Joint Information Circular.

APPENDIX D
INTERIM ORDER

COURT FILE NUMBER 1801-15732
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp
"Filed
November 9,
2018"

MATTER IN THE MATTER OF SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, RSC 1985, c C-44, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING INTERNATIONAL PETROLEUM CORPORATION, BLACKPEARL RESOURCES INC., AND THE SECURITYHOLDERS OF BLACKPEARL RESOURCES INC.

APPLICANT **BLACKPEARL RESOURCES INC.**

RESPONDENT NOT APPLICABLE

DOCUMENT **INTERIM ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
BENNETT JONES LLP
4500 Bankers Hall East
855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Solicitor: Justin R. Lambert
Telephone: (403) 298-3046
Facsimile: (403) 265-7219
Email: lambertj@bennettjones.com
File Number: 63695.70

DATE ON WHICH ORDER WAS PRONOUNCED: November 9, 2018

NAME OF JUDGE WHO MADE THIS ORDER: Justice D.B. Nixon

LOCATION OF HEARING: Calgary, Alberta

INTERIM ORDER

UPON the Originating Application (the "**Originating Application**") of BlackPearl Resources Inc. (the "**Applicant**");

AND UPON reading the Originating Application, the affidavit of John Festival, President and Chief Executive Officer of the Applicant, sworn November 5, 2018 (the "**Affidavit**") and the documents referred to therein;

AND UPON being advised that notice of the Originating Application has been given to the Director (the "**Director**") appointed under section 260 of the *Canada Business Corporations Act*, RSC 1985, c C-44, as amended (the "**CBCA**") and that the Director does not consider it necessary to appear;

AND UPON being advised that it is the intention of the Applicant and International Petroleum Corporation ("**IPC**") to rely upon section 3(a)(10) of the United States Securities Act of 1933 (the "**1933 Act**") as a basis for an exemption from the registration requirements of the 1933 Act with respect to securities of IPC to be issued under the proposed Arrangement based on the Court's approval of the Arrangement;

AND UPON hearing counsel for the Applicant;

FOR THE PURPOSES OF THIS ORDER:

- (a) the capitalized terms not defined in this Order (the "**Order**") shall have the meanings attributed to them in the draft joint management information circular of the Applicant and IPC (the "**Circular**") which is attached as Exhibit "A" to the Affidavit; and
- (b) all references to "Arrangement" used herein mean the arrangement as set forth in the Plan of Arrangement attached as Schedule A to the arrangement agreement made as of October 9, 2018, between the Applicant and IPC (the "**Arrangement Agreement**"), which Arrangement Agreement has been filed on the Applicant's SEDAR profile at www.sedar.com and which is attached as Appendix C to the Affidavit.

IT IS HEREBY ORDERED THAT:

General

1. The Applicant shall seek approval of the Arrangement as described in the Circular by the holders ("**BlackPearl Shareholders**") of common shares ("**BlackPearl Shares**") of BlackPearl and holders ("**BlackPearl Optionholders**" and, together with BlackPearl Shareholders, "**BlackPearl Securityholders**") of options ("**BlackPearl Options**") in the manner set forth below.

The BlackPearl Securityholders' Meeting

2. The Applicant shall call and conduct the BlackPearl Securityholders' meeting on or about December 7, 2018 (the "**BlackPearl Securityholders' Meeting**"). At the BlackPearl Securityholders' Meeting, the BlackPearl Securityholders will consider and vote upon a resolution to approve the Arrangement substantially in the form attached as Appendix B to the Circular (the "**BlackPearl Arrangement Resolution**") and such other business as may properly be brought before the BlackPearl Securityholders' Meeting or any adjournment or postponement thereof, all as more particularly described in the Circular.
3. A quorum at the BlackPearl Securityholders' Meeting shall be persons present not being less than two (2) in number and holding or representing by proxy not less than twenty-five per cent (25%) of the BlackPearl Shares entitled to be voted at the BlackPearl Securityholders' Meeting.
4. If within thirty (30) minutes from the time appointed for the BlackPearl Securityholders' Meeting, a quorum is not present, the BlackPearl Securityholders' Meeting shall be adjourned to such date as may be determined by the Chair of the BlackPearl Securityholders' Meeting, provided that the date of the adjourned meeting shall not be less than two (2) and not more than thirty (30) days later. No notice of the adjourned BlackPearl Securityholders' Meeting shall be required and, if at such adjourned meeting a quorum is not present, the BlackPearl Securityholders present in person or by proxy at the adjourned meeting shall constitute a quorum for all purposes.
5. Each BlackPearl Shareholder and BlackPearl Optionholder will be entitled to one (1) vote for each BlackPearl Share and BlackPearl Option held in respect of the BlackPearl Arrangement Resolution and any other matters to be considered at the BlackPearl Securityholders' Meeting.
6. The record date for BlackPearl Securityholders entitled to receive notice of and vote at the BlackPearl Securityholders' Meeting shall be November 9, 2018 (the "**Record Date**"). Only BlackPearl Securityholders of record as at the close of business on the Record Date will be entitled to receive notice of the BlackPearl Securityholders' Meeting and to vote those BlackPearl Shares and BlackPearl Options entitled to vote at the BlackPearl Securityholders' Meeting.

7. The BlackPearl Securityholders' Meeting shall be called, held and conducted in accordance with the applicable provisions of the CBCA, the articles and by-laws of the Applicant in effect at the relevant time, the Circular, the rulings and directions of the Chair of the BlackPearl Securityholders' Meeting, this Order and any further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the CBCA or the articles or by-laws of the Applicant, the terms of this Order shall govern.

Conduct of the Meeting

8. The only persons entitled to attend the BlackPearl Securityholders' Meeting shall be BlackPearl Securityholders or their authorized proxy holders, the Applicant's directors and officers and its auditors, the Applicant's legal counsel and representatives, IPC's legal counsel and representatives, the scrutineer of the BlackPearl Securityholders' Meeting and its representatives and such other persons who may be permitted to attend by the Chair of the BlackPearl Securityholders' Meeting.
9. The Chair of the BlackPearl Securityholders' Meeting shall be any of the chairman of the board, president or a vice-president of the Applicant or failing them, any other person chosen at the BlackPearl Securityholders' Meeting.
10. The number of votes required to pass the BlackPearl Arrangement Resolution, with or without variation, shall be:
 - (a) not less than two-thirds (66 $\frac{2}{3}$ %) of the votes cast on the BlackPearl Arrangement Resolution by BlackPearl Securityholders, voting together as a single class, present in person or represented by proxy at the BlackPearl Securityholders' Meeting; and
 - (b) not less than a simple majority of the votes cast on the BlackPearl Arrangement Resolution by BlackPearl Shareholders present in person or represented by proxy at the BlackPearl Securityholders' Meeting after excluding the votes cast by those persons whose votes are required to be excluded under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

11. To be valid, a proxy must be deposited with Computershare Trust Company of Canada in the manner and within the timeframes described in the Circular.
12. The accidental omission to give notice of the BlackPearl Securityholders' Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the BlackPearl Securityholders' Meeting.
13. The Applicant, if it deems it to be advisable and if permitted by the Arrangement Agreement or IPC, may adjourn or postpone the BlackPearl Securityholders' Meeting on one or more occasions (whether or not a quorum is present, if applicable) and for such period or periods of time as the Applicant deems advisable, without the necessity of first convening the BlackPearl Securityholders' Meeting or first obtaining any vote of the BlackPearl Securityholders in respect of the adjournment or postponement. Notice of any such adjournment or postponement may be given by such method as the Applicant determines is appropriate in the circumstances. If the BlackPearl Securityholders' Meeting is adjourned or postponed in accordance with this Order, the references to the BlackPearl Securityholders' Meeting in this Order shall be deemed to be the BlackPearl Securityholders' Meeting as adjourned or postponed, as the context allows.

Amendments to the Arrangement

14. The Applicant and IPC are authorized to make such amendments, revisions or supplements to the Arrangement as they may together determine necessary or desirable, provided that such amendments, revisions or supplements are made in accordance with and in the manner contemplated by the Arrangement and the Arrangement Agreement. The Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the BlackPearl Securityholders' Meeting and the subject of the BlackPearl Arrangement Resolution, without need to return to this Court to amend this Order.

Amendments to Meeting Materials

15. The Applicant is authorized to make such amendments, revisions or supplements ("**Additional Information**") to the Circular, the notice of the BlackPearl Securityholders' Meeting ("**Notice of Meeting**"), the form of proxy ("**Proxy**"), the form of letter of transmittal ("**Letter of Transmittal**") and the notice of Originating Application ("**Notice of**

Originating Application") as it may determine, and the Applicant may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by the Applicant. Without limiting the generality of the foregoing, if any material change or material fact arises between the date of this Order and the date of the BlackPearl Securityholders' Meeting, which change or fact, if known prior to mailing of the Circular, would have been disclosed in the Circular, then:

- (a) the Applicant shall advise the BlackPearl Shareholders of the material change or material fact by disseminating a news release ("**News Release**") in accordance with applicable Canadian securities laws;
- (b) provided that the News Release describes the applicable material change or material fact in reasonable detail, the Applicant shall not be required to deliver an amendment to the Circular to the BlackPearl Securityholders or otherwise give notice to the BlackPearl Securityholders of the material change or material fact other than dissemination and filing of the News Release as aforesaid; and
- (c) unless determined to be advisable by the Applicant, the Applicant shall not be required to adjourn or otherwise postpone the BlackPearl Securityholders' Meeting as a result of the disclosure of any Additional Information, including any material change, as contemplated by this paragraph 15.

Dissent Rights

- 16. The registered BlackPearl Shareholders are, subject to the provisions of this Order and the Arrangement, accorded the right to dissent under section 190 of the CBCA with respect to the BlackPearl Arrangement Resolution and the right to be paid the fair value of their BlackPearl Shares by the Applicant in respect of which such right to dissent was validly exercised.
- 17. In order for a registered BlackPearl Shareholder to exercise such right to dissent (a "**Dissenting BlackPearl Shareholder**") under section 190 of the CBCA:
 - (a) the Dissenting BlackPearl Shareholder's written objection to the BlackPearl Arrangement Resolution must be received by the Applicant in care of Bennett Jones LLP, 4500 Bankers Hall East, 855 2nd Street S.W., Calgary, Alberta T2P

4K7, facsimile: (403) 265-7219, Attention: Justin R. Lambert, by 4:00 p.m. (Calgary time) on December 5, 2018, or by 4:00 p.m. (Calgary time) on the date that is five business days prior to the date that any adjournment or postponement of the BlackPearl Securityholders' Meeting is reconvened or held, as the case may be;

- (b) a vote against the BlackPearl Arrangement Resolution, whether in person or by proxy, shall not constitute a written objection to the BlackPearl Arrangement Resolution as required under paragraph 17(a) herein;
 - (c) a Dissenting BlackPearl Shareholder shall not have voted his, her or its BlackPearl Shares at the BlackPearl Securityholders' Meeting, either by proxy or in person, in favour of the BlackPearl Arrangement Resolution;
 - (d) a BlackPearl Shareholder may not exercise the right to dissent in respect of only a portion of the BlackPearl Shareholder's BlackPearl Shares, but may dissent only with respect to all of the BlackPearl Shares held by the BlackPearl Shareholder or on behalf of any one beneficial owner and registered in the Dissenting BlackPearl Shareholder's name; and
 - (e) the exercise of such right to dissent must otherwise comply with the requirements of Section 190 of the CBCA, as modified and supplemented by this Order and the Arrangement.
18. The fair value of the consideration to which a Dissenting BlackPearl Shareholder is entitled pursuant to the Arrangement shall be determined as of the close of business on the last business day before the day on which the BlackPearl Arrangement Resolution is approved by the BlackPearl Securityholders at the BlackPearl Securityholders' Meeting and shall be paid to the Dissenting BlackPearl Shareholders by the Applicant as contemplated by the Arrangement and this Order.
19. A Dissenting BlackPearl Shareholder who is entitled to be paid by the Applicant the fair value of such holder's BlackPearl Shares shall, pursuant to the Plan of Arrangement, be deemed to have transferred the holder's BlackPearl Shares (free and clear of any Encumbrances) to the Applicant for cancellation without any further act or formality notwithstanding the provisions of Section 190 of the CBCA.

20. A Dissenting BlackPearl Shareholder who, for any reason, is not ultimately entitled to be paid the fair value of such holder's BlackPearl Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of BlackPearl Shares, notwithstanding the provisions of Section 190 of the CBCA, and shall be entitled to receive only the consideration contemplated in Section 3.1(d) of the Plan of Arrangement that such BlackPearl Shareholder would have received pursuant to the Arrangement if such BlackPearl Shareholder had not exercised Dissent Rights.
21. In no event shall the Applicant or IPC or any other person be required to recognize any Dissenting BlackPearl Shareholder as a BlackPearl Shareholder at or after the Effective Date and the names of such holders shall be removed from the register of BlackPearl Shareholders as at the Effective Time.
22. In addition to any other restrictions under Section 190 of the CBCA, any person who has voted or has instructed a proxyholder to vote their BlackPearl Shares in favour of the BlackPearl Arrangement Resolution shall not be entitled to exercise Dissent Rights.
23. Subject to further order of this Court, the rights available to registered BlackPearl Shareholders under the CBCA and the Arrangement to dissent from the BlackPearl Arrangement Resolution shall constitute full and sufficient dissent rights for the BlackPearl Shareholders with respect to the BlackPearl Arrangement Resolution.
24. Notice to the BlackPearl Shareholders of their Dissent Rights and to receive, subject to the provisions of the CBCA and the Arrangement, the fair value of the consideration to which a Dissenting BlackPearl Shareholder is entitled pursuant to the Arrangement shall be sufficiently given by including information with respect to this right as set forth in the Circular which is to be sent to BlackPearl Shareholders in accordance with paragraph 26 of this Order.

Notice

25. The Circular, substantially in the form attached as Exhibit "A" to the Affidavit, with such amendments thereto as counsel to the Applicant may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order or the Arrangement Agreement), and including the Notice of Meeting, the Proxy, the Letter of

Transmittal, the Notice of Originating Application and this Order, together with any other communications or documents determined by the Applicant to be necessary or advisable (collectively, the "**Meeting Materials**"), shall be sent to those BlackPearl Securityholders who hold BlackPearl Shares and/or BlackPearl Options in their own name, as of the Record Date, the directors of the Applicant and the auditors of the Applicant and the Director, by any one or more of the following methods:

- (a) in the case of registered BlackPearl Securityholders, by pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of the Applicant as of the Record Date distributed not later than 21 days prior to the BlackPearl Securityholders' Meeting;
 - (b) in the case of non-registered BlackPearl Shareholders, by providing sufficient copies of the Meeting Materials to intermediaries, in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, and
 - (c) in the case of the directors and auditors of the Applicant, by email, pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to the individual directors or firm of auditors, as applicable, not later than 21 days prior to the date of the BlackPearl Securityholders' Meeting; and
 - (d) in the case of the Director, by facsimile or other electronic means, by courier or by delivery in person, addressed to the Director not later than 21 days prior to the date of the BlackPearl Securityholders' Meeting.
26. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the BlackPearl Securityholders, the directors and auditors of the Applicant and the Director of:
- (a) the Originating Application;
 - (b) this Order;
 - (c) the Notice of Meeting;

- (d) the Circular; and
- (e) the Notice of Originating Application.

Final Application

27. Subject to further order of this Court, and provided that the BlackPearl Securityholders have approved the Arrangement in the manner directed by this Court and the directors of the Applicant have not revoked their approval, the Applicant may proceed with an application for a final order of the Court approving the Arrangement (the "**Final Order**") on December 13, 2018 at 3:00 p.m. (Calgary time) or so soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of the proof of filing of the Articles of Arrangement, the Applicant, all BlackPearl Shareholders and all holders of BlackPearl Options and BlackPearl restricted share units and all other persons affected will be bound by the Arrangement in accordance with its terms.
28. Any BlackPearl Securityholder or other interested party (other than IPC) (each an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon the Applicant, on or before 5:00 p.m. (Calgary time) on December 6, 2018 (or the business day that is five business days prior to the date of the BlackPearl Securityholders' Meeting if it is not held on December 7, 2018), a notice of intention to appear ("**Notice of Intention to Appear**") including the Interested Party's address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service of this notice on the Applicant shall be effected by service upon the solicitors for the Applicant, c/o Bennett Jones LLP, 4500 Bankers Hall East, 855 2nd Street S.W., Calgary, Alberta T2P 4K7, facsimile: (403) 265-7219, Attention: Justin R. Lambert.
29. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 27 of this Order, shall have notice of the adjourned date.

Leave to Vary Interim Order

30. The Applicant is entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.

(signed) "*Justice D.B. Nixon*"

Justice of the Court of Queen's Bench of Alberta

APPENDIX E

SECTION 190 OF THE CANADA BUSINESS CORPORATIONS ACT

Pursuant to the Interim Order, BlackPearl Shareholders have the right to dissent in respect of the Arrangement in accordance with Section 190 of the CBCA, as modified by the Interim Order. Such Dissent Rights are described in the Circular. The full text of Section 190 of the CBCA is set forth below.

- 190(1) **Right to dissent** - Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to
- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
 - (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
 - (c) amalgamate otherwise than under section 184;
 - (d) be continued under section 188;
 - (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
 - (f) carry out a going-private transaction or a squeeze-out transaction.
- (2) **Further right** - A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.
- (2.1) **If one class of shares** - The right to dissent described in subsection (2) applies even if there is only one class of shares.
- (3) **Payment for shares** - In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.
- (4) **No partial dissent** - A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.
- (5) **Objection** - A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.
- (6) **Notice of resolution** - The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

- (7) **Demand for payment** - A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing
- (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder dissents; and
 - (c) a demand for payment of the fair value of such shares.
- (8) **Share certificate** - A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.
- (9) **Forfeiture** - A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.
- (10) **Endorsing certificate** - A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.
- (11) **Suspension of rights** - On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where
- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
 - (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
 - (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),
- in which case the shareholder's rights are reinstated as of the date the notice was sent.
- (12) **Offer to pay** - A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice
- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
 - (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.
- (13) **Same terms** - Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.
- (14) **Payment** - Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but

any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

- (15) **Corporation may apply to court** - Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.
- (16) **Shareholder application to court** - If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.
- (17) **Venue** - An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.
- (18) **No security for costs** - A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).
- (19) **Parties** - On an application to a court under subsection (15) or (16),
 - (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
 - (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.
- (20) **Powers of court** - On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.
- (21) **Appraisers** - A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.
- (22) **Final order** - The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.
- (23) **Interest** - A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.
- (24) **Notice that subsection (26) applies** - If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.
- (25) **Effect where subsection (26) applies** - If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may
 - (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.
- (26) **Limitation** - A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that
- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
 - (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

APPENDIX F
IPC FAIRNESS OPINION



October 9, 2018

**The Special Committee of the Board of Directors
International Petroleum Corp.**
885 West Georgia Street
Vancouver, BC | V6C 3E8

Dear Sirs/Mesdames:

Paradigm Capital Inc. ("**Paradigm Capital**") understands that International Petroleum Corp. ("**IPC**" or the "**Company**") intends to enter into an arrangement agreement (the "**Arrangement Agreement**") with BlackPearl Resources Inc. ("**BlackPearl**") to be dated October 9, 2018. The Arrangement Agreement outlines the proposed acquisition of BlackPearl by the Company whereby the Company will acquire all of the issued and outstanding common shares of BlackPearl ("**Shares**") and pursuant to which each holder of Shares will be entitled to receive, in exchange for each Share held, 0.22 common shares of the Company (the "**Consideration**"). Paradigm Capital further understands that the transaction contemplated hereby (the "**Transaction**") will be effected in accordance with the terms and conditions of a plan of arrangement to be carried out under the terms set forth in the Arrangement Agreement. The terms and conditions of the Transaction will be fully described in the Company's management information circular to be prepared by the Company and its advisors and mailed to the shareholders in connection with the special meeting of shareholders to be held to consider and, if deemed advisable, approve the Transaction.

Paradigm Capital understands that the Consideration, and its corresponding exchange ratio, was determined based on the 30-day volume-weighted average price ("**VWAP**") of IPC shares traded on the Nasdaq Stockholm exchange up to, and including October 9, 2018 converted to Canadian dollars using the 30-day average CAD/SEK exchange rate, to equate to C\$1.85 per BlackPearl share.

The Special Committee of the Board of Directors of IPC (the "**Special Committee**") retained Paradigm Capital to prepare and deliver to the Special Committee this opinion (the "**Opinion**") as to the fairness of the Transaction, from a financial point of view, to the Company and its shareholders. Paradigm Capital has not prepared a formal valuation (as defined in Multilateral Instrument 61-101) of IPC or BlackPearl or of their respective securities or assets, and this Opinion should not be construed as such. This Opinion should not be considered as an opinion concerning the trading price or value of any securities following the announcement or completion of the Transaction.

Unless otherwise noted, all dollar values stated in the Opinion are denominated in Canadian dollars.

Paradigm Capital Engagement and Background

Paradigm Capital was initially contacted by Daniella Dimitrov on behalf of the Special Committee on October 2, 2018 to determine Paradigm Capital's ability to act as financial advisor to the Special Committee in connection with the potential acquisition of BlackPearl. Paradigm Capital was formally engaged by the Special Committee on October 3, 2018 pursuant to the engagement agreement dated October 2, 2018 (the "**Engagement Agreement**"). Paradigm Capital began work immediately and agreed to present its conclusions to the Special Committee on or about October 5, 2018 and to issue this Opinion shortly thereafter. Paradigm Capital presented its conclusions to the Special Committee on October 5, 2018 and issued a verbal Opinion.



The Engagement Agreement provides that Paradigm Capital is to be paid a fixed fee for the Opinion, and to be reimbursed for reasonable costs and expenses incurred in connection therewith (the "**Fee**"). The Fee is not contingent on the completion of the Transaction or on the conclusions reached in the Opinion. The Fee is payable 50% upon delivery of a verbal Opinion and presentation of Paradigm Capital's analysis to the Special Committee, and 50% payable upon delivery of this Opinion. IPC has also agreed to indemnify Paradigm Capital, its affiliates and subsidiaries, and their respective officers, directors, employees, consultants, partners and shareholders for certain liabilities arising from the services performed by Paradigm Capital under the Engagement Agreement.

Subject to the terms of the Engagement Agreement, Paradigm Capital understands that this Opinion and its conclusion may be filed publicly with securities commissions or similar regulatory authorities, and the Opinion and its conclusions may be included or referred to (in a form acceptable to Paradigm Capital) in press releases and/or other publicly filed documents.

Credentials and Independence of Paradigm Capital

Paradigm Capital is an independent Canadian investment banking firm with a sales, trading, research and corporate finance focus, providing services for institutional investors and corporations. Paradigm Capital was founded in 1999 and is a member of the Toronto Stock Exchange, the TSX Venture Exchange and the Investment Industry Regulatory Organization of Canada ("**IIROC**"). Paradigm Capital has participated in many transactions involving both public and private companies.

The Opinion expressed herein represents that of Paradigm Capital and the form and content hereof has been approved for release by a committee of directors and other professionals of Paradigm Capital, each of whom is experienced in mergers, acquisitions, business combinations, divestitures, valuation and fairness opinion matters.

None of Paradigm Capital, its associates or affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act (Ontario)*) of the Company or BlackPearl. Paradigm Capital is not an advisor to any person or company other than to the Special Committee with respect to the Transaction. Paradigm Capital has not previously provided any financial advisory services to the Company, BlackPearl or any of its respective associates or affiliates for which it has received compensation in the past twenty-four months.

Paradigm Capital may, in the ordinary course of its business, provide financial advisory or investment banking services to IPC and/or BlackPearl from time to time. Additionally, in the ordinary course of its business, Paradigm Capital may actively trade common shares and other securities of IPC and/or BlackPearl for its own account and for its client accounts, and, accordingly, may at any time hold a long or short position in such securities. As an investment dealer, Paradigm Capital conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to IPC and/or BlackPearl or the Transaction, when disclosed.

Scope of the Review

In connection with the Transaction, Paradigm Capital has reviewed and relied upon and in some cases carried out, among other things, the following:

- a) IPC's annual information form for the year ended December 31, 2017;
- b) IPC's audited annual consolidated financial statements and management's discussion and analysis for the years ended December 31, 2017 and 2016;



- c) IPC's unaudited quarterly consolidated financial statements and management's discussion and analysis for the fiscal quarters ended June 30, 2018 and March 31, 2018;
- d) Press releases and material change reports issued by IPC during the 12-month period ended October 4, 2018;
- e) BlackPearl's annual information form for the year ended December 31, 2017;
- f) BlackPearl's audited annual consolidated financial statements and management's discussion and analysis for the years ended December 31, 2017 and 2016;
- g) BlackPearl's unaudited quarterly consolidated financial statements and management's discussion and analysis for the fiscal quarters ended June 30, 2018 and March 31, 2018;
- h) Press releases and material change reports issued by BlackPearl during the 12-month period ended October 4, 2018;
- i) Various independent and institutional research reports on IPC, BlackPearl and other upstream oil and gas companies and the oil and gas sector generally;
- j) Comparable precedent transaction disclosure;
- k) Comparable company disclosure;
- l) The certificate of representation (the "**Certificate**") signed by the CEO and CFO of IPC dated October 8, 2018;
- m) Certain internal financial information and other non-public documents requested by Paradigm Capital that it felt were relevant to the completion of the Fairness Opinion;
- n) Paradigm Capital's net asset value calculations (Val Nav vndb files) for IPC and BlackPearl;
- o) Reserve data for IPC and BlackPearl as of December 31, 2017, which were prepared in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators ("**NI 51-101**");
- p) IPC management analysis and presentation to IPC Board concerning the Transaction;
- q) Draft of the Arrangement Agreement; and
- r) Discussions with management of IPC.

Paradigm Capital has not, to the best of its knowledge, been denied access by IPC to any information requested. Paradigm Capital did not meet with the auditors of IPC or BlackPearl and has assumed the accuracy and fair presentation of the audited consolidated financial statements of IPC and the reports of the auditors thereon.

This Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of IIROC but IIROC has not been involved in the preparation or review of this Opinion.

Assumptions and Limitations

With the approval of the Special Committee and as provided in the Engagement Agreement, Paradigm Capital has relied upon, without independent verification, all financial and other information that was obtained by us from public sources or that was provided to us by IPC and its affiliates, associates, advisors or otherwise. We have assumed that this information was complete and accurate as of the date thereof, and no necessary or material facts were omitted that may make the information misleading. In accordance with the terms of our engagement, but subject to the exercise of our professional judgment, we have not conducted any independent investigation to verify the completeness or accuracy of such information. This Opinion is conditional upon such completeness and accuracy. With respect to the financial forecasts and budgets provided to us and used in our analysis, we have assumed that they have been prepared using the best currently available estimates and reasonable judgments of management of IPC as to the matters covered thereby. The CEO and CFO of IPC have represented to us in the Certificate, among other things, that (i) the information, opinions and other materials (the "**Information**") provided to us by or on behalf of IPC are complete and accurate as of the date of the Information and that, since the date the Information was provided, except as publicly disclosed, there has been no material change, financial or otherwise, in IPC or in its assets, liabilities (contingent or otherwise),



business, financial condition or operations and there has been no change in any material fact which is of a nature as to render the Information untrue or misleading in any material respect, except to the extent disclosed in subsequent Information, and (ii) IPC has no knowledge of any facts or circumstances, public or otherwise, not contained in or referred to in the Information that could reasonably be expected to affect the Opinion, including the assumptions used, procedures adopted, the scope of the review undertaken or the conclusions reached.

This Opinion is based on the securities markets, economic, financial and general business conditions prevailing as of the date of this Opinion and the conditions and prospects, financial and otherwise, of IPC as they were reflected in the information reviewed by us. In its analysis and in preparing this Opinion, Paradigm Capital has made a number of assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the control of Paradigm Capital, IPC, BlackPearl and any other party involved in the Transaction.

Paradigm Capital is not a legal, tax, or accounting expert and expresses no opinion concerning any legal, tax, or accounting matters concerning the Transaction or the sufficiency of the Opinion for the Special Committee's purposes.

Paradigm Capital has also assumed that: (i) the representations and warranties of the parties in the Draft Arrangement Agreement are accurate, true and complete; (ii) the final terms of the Transaction will be fully complied with and will be substantially the same as those described by IPC's senior officers to Paradigm Capital and those contained in the Draft Arrangement Agreement provided to Paradigm Capital; (iii) the management information circular to be prepared by the Company and its advisors in connection with the Transaction will contain true, full and plain disclosure of the Transaction; and (iv) all material governmental, regulatory or other required consents and approvals necessary for the consummation of the Transaction will be obtained without any material adverse effect on IPC.

This Opinion has been provided for the use of the Special Committee and, other than as contemplated herein, may not be used or relied upon by any other person without the express written consent of Paradigm Capital. This Opinion is given as of the date hereof and Paradigm Capital disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Opinion which may come or be brought to Paradigm Capital's attention after such date. The Opinion is limited to Paradigm Capital's understanding of the Transaction as of the date hereof and Paradigm Capital assumes no obligation to update this Opinion to take into account any changes regarding the Transaction after such date.

Opinions of Financial Advisors

In preparing this Opinion, Paradigm Capital performed a variety of financial and comparative analyses, including those described below. The summary of Paradigm Capital's analyses described below is not a complete description of the analyses underlying this Opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analyses, and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In forming the Opinion, Paradigm Capital made qualitative judgements as to the significance and relevance of each analysis and factor that it considered. Accordingly, Paradigm Capital believes that its analyses must be considered as a whole, and that selecting portions of its analyses and factors, without considering all analyses and factors, including the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and this Opinion. This Opinion is not to be construed as to whether the Transaction is consistent with the best interests of IPC or the shareholders of IPC.



In its analyses, Paradigm Capital considered industry performance, general business, economic, market, political and financial conditions and other matters, many of which are beyond the control of IPC or BlackPearl. No company, transaction or business used in Paradigm Capital's analyses as a comparison is identical to IPC, BlackPearl or the Transaction, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgements concerning financial and operating characteristics and other factors that could affect the business combination, public trading or other values of the companies, business segments or transactions being analysed. The estimates contained in Paradigm Capital's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favourable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Paradigm Capital's analyses and estimates are inherently subject to substantial uncertainty. The Opinion is conditional upon the correctness of all of the assumptions indicated herein. This Opinion should be read in its entirety.

IPC Overview

IPC is an international oil and gas exploration and production company with a portfolio of assets located in Canada, Malaysia and Europe. IPC produces both heavy and light oil as well as natural gas. IPC is a member of the Lundin Group of Companies. IPC is incorporated in Canada and IPC's shares are listed on the Nasdaq Stockholm and Toronto Stock Exchange (TSX) under the symbol "IPCO".

BlackPearl Overview

BlackPearl is a Canadian-based oil and natural gas company whose primary focus is on heavy oil and oil sands projects in Western Canada. Black Pearl's current core properties are: Onion Lake (Saskatchewan), Blackrod (Alberta) and Mooney (Alberta). These core properties provide the Company with a combination of short-term cash flow generation and medium and longer-term reserves and production growth on multi-phase low decline projects using both EOR and SAGD thermal recovery processes. BlackPearl's common shares are traded on the Toronto Stock Exchange (TSX) under the symbol "PXX" and the Corporation's Swedish Depository Receipts trade on the Nasdaq Stockholm under the symbol "PXXS".

Review of Consideration

Paradigm Capital's approach assumes the fair market value to be the easily ascertainable monetary consideration that, in an open and unrestricted market, a prudent informed buyer would pay to an informed seller, each acting at arm's length and under no compulsion to act.

In assessing the value of IPC shares being issued under the Transaction, Paradigm Capital considered the following: IPC is a highly liquid, publicly traded company followed by numerous equity research analysts and trades on a comparable basis with other comparable publicly traded oil and gas companies.

Paradigm Capital was not made aware of any material information regarding IPC that has not been publicly disclosed, or that would be expected to materially affect the market price of IPC shares.

Based on the considerations above Paradigm Capital considers the market trading price of IPC shares on the Nasdaq Stockholm is an appropriate indicator of the per-share value of consideration to be paid under the Transaction.

Summary of Analysis



In connection with this Opinion, Paradigm Capital has performed a variety of financial and comparative analyses, including those described below. In arriving at this Opinion, we have weighted each of these analyses based on our experience and judgement.

- a) Net asset value (“NAV”)
- b) Comparable trading multiple analysis
- c) Precedent transaction analysis
- d) Comparable bid premiums
- e) Combination analysis
- f) Analyst target prices
- g) Historical share price trading analysis

NAV

Paradigm Capital used projections generated from year-end reserves as per NI 51-101 and Paradigm Capital estimates for key assumptions for BlackPearl and each of its projects to calculate the NAV values for BlackPearl using Val Nav software. The BlackPearl NAVs were calculated using three different commodity price scenarios: Paradigm Capital Equity Research price forecast for October 2018; futures strip price as at October 2, 2018, and the Sproule price forecast as at August 31, 2018.

For purposes of NAV contribution analysis and accretion/dilution analysis, Paradigm Capital used year-end reserves as per NI 51-101 and IPC management estimates for key assumptions for IPC and each of its projects to calculate NAV values for IPC using Val Nav software. The IPC NAV values were calculated based on the same three price forecasts as described above for Black Pearl.

Paradigm Capital also considered publicly available equity research analyst estimates for NAV for both BlackPearl and IPC.

Comparable Trading Multiple Analysis

Paradigm Capital reviewed selected public company trading multiple ranges for comparable oil and gas companies to BlackPearl including: price to NAV; enterprise value (“EV”) to debt adjusted cash flow (“DACF”); and EV to barrel of oil equivalent production per day (“boe/d”). Paradigm Capital applied a range of these multiples to Paradigm Capital’s estimates for BlackPearl’s NAV, DACF and boe/d (2019 and 2020) to develop implied equity values for BlackPearl.

Precedent Transaction Analysis

Paradigm Capital identified and reviewed a list of comparable, predominantly heavy oil, company and asset acquisition transactions in Western Canada. We evaluated the precedent transactions on the following metrics: price to consensus NAV; EV to last twelve month DACF; EV to boe/d; and EV to 2P reserves. We compared ranges of each of the aforementioned multiples and applied them to Paradigm Capital’s estimates of BlackPearl’s respective metrics to arrive at equity values for BlackPearl.



Comparable Bid Premiums

Paradigm Capital identified and reviewed a list of comparable oil and gas company acquisitions as well as broad, large-scale Canadian public market takeover transactions. Paradigm Capital compared the bid premiums based on both the unaffected price and the 30-day VWAP to the bid premium of the Consideration per Black Pearl share based on the unaffected price and the 30-day VWAP.

Combination Analysis

Paradigm Capital examined the estimated contribution of both IPC and BlackPearl on a pro forma basis to the combined company on the following metrics: NAV, cash flow for 2018, 2019, and 2020, and boe reserves.

Further to the above contribution analysis, Paradigm Capital analyzed estimated per share accretion and dilution to IPC shares on a pro forma basis across the following metrics: NAV per share, cash flow per share for 2018, 2019, and 2020, and boe reserves.

Analyst Target Prices

Paradigm Capital reviewed research analyst share price targets on BlackPearl, specifically the price targets over the last twelve months.

Historical Share Price Trading Analysis

Paradigm Capital reviewed the historical stock prices of IPC and BlackPearl common shares over a trailing twelve-month period. Paradigm Capital specifically reviewed the historical exchange ratio of BlackPearl share price to IPC share price since IPC's spin-out from Lundin Petroleum AB on April 21, 2017.

Conclusion

Based upon and subject to the foregoing and such other factors as Paradigm Capital considered relevant, Paradigm Capital is of the opinion that, as of the date hereof, the Consideration to be paid by IPC to the BlackPearl Shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to the Company and its shareholders.

Yours very truly,

(signed) "Paradigm Capital Inc."

APPENDIX G
BLACKPEARL FAIRNESS OPINION



1100, 311 - 6th Avenue SW
Calgary, Alberta T2P 3H2
Tel: (403) 262-0600 Fax: (403) 262-0688

October 9, 2018

Board of Directors
BlackPearl Resources Inc.
900, 215 - 9th Avenue S.W.
Calgary, AB T2P 1K3

Dear Sirs:

GMP Securities L.P. ("**GMP FirstEnergy**") understands that BlackPearl Resources Inc. ("**BlackPearl**") is considering entering into an arrangement agreement (the "**Arrangement Agreement**") with International Petroleum Corp. ("**IPC**"), pursuant to which IPC would indirectly acquire all of the issued and outstanding common shares (the "**BlackPearl Shares**") of BlackPearl (the "**Transaction**"). Pursuant to the terms of the Arrangement Agreement, the holders of BlackPearl Shares (the "**BlackPearl Shareholders**") will receive 0.22 IPC common shares ("**IPC Shares**") per BlackPearl Share (the "**Consideration**"). The above description is summary in nature. The specific terms and conditions of the Transaction are set out in the Arrangement Agreement and will be more fully described in the joint management information circular of BlackPearl and IPC (the "**Circular**"), which is to be mailed to, among others, the BlackPearl Shareholders in connection with the Transaction.

To assist the board of directors of BlackPearl (the "**Board**") in considering the terms of the Arrangement Agreement, and the making of its recommendation in respect thereof, BlackPearl engaged GMP FirstEnergy to provide financial advice to the Board in reviewing and assessing the potential transaction, including GMP FirstEnergy's opinion (the "**Fairness Opinion**") as to whether the Consideration to be received by BlackPearl Shareholders pursuant to the Transaction is fair, from a financial point of view, to the BlackPearl Shareholders.

Engagement of GMP FirstEnergy

GMP FirstEnergy was engaged by BlackPearl pursuant to an engagement agreement dated October 1, 2018 (the "**Engagement Agreement**") to act as financial advisor in connection with a potential transaction involving the business combination with IPC.

GMP FirstEnergy has not been requested to prepare (and has not prepared) a valuation or appraisal of BlackPearl or IPC or of any of the respective assets, liabilities or securities of BlackPearl or IPC, or to express an opinion with respect to the form of the Arrangement Agreement itself, and this Fairness Opinion should not be construed as such. GMP FirstEnergy was similarly not engaged to review any legal, tax or accounting aspects of the Transaction. GMP FirstEnergy has assumed, with BlackPearl's agreement, that the Transaction is not subject to the valuation requirements under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions and similar securities regulatory policies.

The Engagement Agreement provides for GMP FirstEnergy to receive from BlackPearl, in consideration for the services provided, a fee upon delivery of the Fairness Opinion and certain other advisory fees, a portion of which is contingent upon completion of the Transaction, as well as reimbursement of all reasonable out-of-pocket expenses. In addition, BlackPearl has agreed to indemnify GMP FirstEnergy from and against certain liabilities arising out of the performance of professional services rendered to BlackPearl by GMP FirstEnergy and its personnel under the Engagement Agreement.

This Fairness Opinion is provided to the Board in an impartial and objective fashion to assist the Board in discharging its fiduciary duties and does not constitute a recommendation to BlackPearl Shareholders. GMP FirstEnergy has received no instructions from BlackPearl in connection with the conclusions reached in this Fairness Opinion.

Credentials of GMP FirstEnergy

GMP FirstEnergy is a trade name of GMP Securities L.P., a leading independent investment dealer headquartered in Toronto, Canada, providing investment banking, institutional sales and trading and research services to corporate clients and institutional investors. GMP Securities L.P. provides advisory and capital market related services to Canadian oil and gas, mining, and other various industries, including investment research and the trading of equity securities and corporate advisory services in the areas of mergers, acquisitions, divestments, restructurings, valuations and fairness opinions. GMP FirstEnergy and its principals have been involved in a significant number of transactions involving valuations of private and publicly-traded Canadian companies and in providing fairness opinions in respect of such transactions.

The opinion expressed herein is the opinion of GMP FirstEnergy as an entity, and the form and content hereof have been approved for release by a group of professionals of GMP FirstEnergy, each of whom is experienced in mergers, acquisitions, divestitures, restructurings, valuation, fairness opinion and capital markets matters.

Relationship with Interested Parties

Neither GMP FirstEnergy nor any of its associates or affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Alberta)) of BlackPearl or IPC, or any of their respective associates or affiliates (collectively, the "**Interested Parties**"). Neither GMP FirstEnergy nor any of its affiliates is an advisor to any of the Interested Parties with respect to the Transaction other than to BlackPearl pursuant to the Engagement Agreement.

Within the last 24 months, GMP FirstEnergy has not been engaged to act as a lead or syndicate member on any offering of securities of BlackPearl or IPC.

GMP FirstEnergy may in the future, in the ordinary course of business, perform financial advisory or investment banking related services for the Interested Parties or their successors. GMP FirstEnergy does not believe that any of these relationships affect GMP FirstEnergy's independence with respect to this Fairness Opinion. GMP FirstEnergy acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of BlackPearl and IPC, and, from time to time, may have executed or may execute transactions on behalf of such companies or other clients for which GMP FirstEnergy may have received or may receive

compensation. As an investment dealer, GMP FirstEnergy conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Arrangement Agreement, BlackPearl or IPC.

Scope of Review Conducted by GMP FirstEnergy

BlackPearl has requested this Fairness Opinion pursuant to the Engagement Agreement. In that regard, GMP FirstEnergy has, among other things, analyzed publicly available documents relating to BlackPearl and IPC, along with confidential financial, operational and other information relating to BlackPearl and IPC, including information derived from meetings and discussions with the management of BlackPearl and IPC, as described below. Except as expressly described herein, GMP FirstEnergy has not conducted any independent investigations to verify the accuracy and completeness thereof.

In arriving at its Fairness Opinion, GMP FirstEnergy has reviewed and relied upon, among other things:

Information Concerning BlackPearl:

- i) the Arrangement Agreement;
- ii) the form of BlackPearl Support Agreements as referred to in the Arrangement Agreement;
- i) the audited financial statements and management's discussion and analysis of BlackPearl for the years ended December 31, 2017, 2016 and 2015, together with the notes thereto and the auditor's report thereon;
- ii) the unaudited financial statements and management's discussion and analysis of BlackPearl for the three months ended March 31, 2018 and June 30, 2018;
- iii) BlackPearl's annual information forms for the fiscal years ended December 31, 2017, 2016 and 2015;
- iv) BlackPearl's independent reserve report effective December 31, 2017, prepared by Sproule Associates Ltd. ("**Sproule**");
- v) BlackPearl's independent contingent resource report for Blackrod, Onion Lake and Mooney effective December 31, 2017, prepared by Sproule.
- vi) Notices of annual meetings and management information circulars of BlackPearl for the fiscal years ended December 31, 2017, 2016 and 2015;
- vii) public information relating to the business, operations, financial performance and stock trading history of BlackPearl and other selected public companies GMP FirstEnergy considered relevant;
- viii) certain non-public information regarding BlackPearl, its business and projects, including budgets, forecasts, projections and estimates;

- ix) discussions with senior management of BlackPearl with respect to, among other things, the past and future operations of BlackPearl, BlackPearl's competitive position in the market, its prospects, pro-forma cash flows and other issues deemed relevant;
- x) information obtained in due diligence discussions with BlackPearl; and
- xi) GMP FirstEnergy's internal financial models and various other methods of analytical valuation.

Information Concerning IPC:

- i) The form of IPC Support Agreements as referred to in the Arrangement Agreement;
- ii) IPC's audited financial statements and associated management discussion and analysis for the year ended December 31, 2017;
- iii) the unaudited financial statements and management's discussion and analysis of IPC for the three months ended March 31, 2018 and June 30, 2018;
- iv) IPC's annual information form for the fiscal years ended December 31, 2017 and the Non-Offering Prospectus dated April 17, 2017;
- v) IPC's independent reserve reports effective December 31, 2017, prepared by ERC Equipoise Limited ("ERCE") and McDaniel & Associates Consultants Ltd. ("McDaniel");
- vi) Notice of annual meeting and management information circular of IPC for the fiscal year ended December 31, 2017;
- vii) public information relating to the business, operations, financial performance and stock trading history of IPC and other selected public companies GMP FirstEnergy considered relevant;
- viii) certain non-public information regarding IPC, its business and projects, including budgets, forecasts, projections and estimates;
- ix) discussions with senior management of IPC with respect to, among other things, the past and future operations of IPC, IPC's competitive position in the market, its prospects, pro-forma cash flows and other issues deemed relevant;
- x) information obtained in due diligence discussions with IPC; and
- xi) GMP FirstEnergy's internal financial models and various other methods of analytical valuation.

In addition to the information detailed above, GMP FirstEnergy has:

- i) reviewed certain publicly-available information pertaining to current and expected future oil and natural gas prices, foreign exchange rates and other economic factors;

- ii) reviewed and considered capital market conditions, both current and expected, for the Canadian and international oil and natural gas industry in general, for selected oil producers operating in similar jurisdictions, and for BlackPearl and IPC specifically;
- iii) reviewed the operating and financial performance and business characteristics of BlackPearl and IPC relative to the performance and characteristics of select relevant oil and natural gas producers;
- iv) received representations contained in a certificate addressed to us from certain senior officers of BlackPearl and IPC, respectively as to the completeness and accuracy of the information upon which the Fairness Opinion is based (the “**Officers’ Certificates**”); and
- v) reviewed other financial, securities market and industry information and carried out such other analyses and investigations as GMP FirstEnergy considered necessary and appropriate in the circumstances.

GMP FirstEnergy also conducted such other analyses, investigations, research and testing of assumptions as were deemed by GMP FirstEnergy to be appropriate or necessary in the circumstances.

This Fairness Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Industry Regulatory Organization of Canada (“**IIROC**”) but IIROC has not been involved in the preparation or review of this Fairness Opinion.

Approach to Fairness

In arriving at our opinion as to whether the Consideration is fair from a financial point of view to the BlackPearl Shareholders, GMP FirstEnergy considered a number of factors including, but not limited to:

- i) the price of BlackPearl Shares, prior to giving effect to the Arrangement, based on certain internal forecasts of BlackPearl and GMP FirstEnergy, relative to trading multiples of selected public companies involved in the oil and natural gas industry;
- ii) a comparison of selected financial multiples, to the extent publicly available, of selected precedent transactions involving oil and gas producers and assets to the multiples implied by the Consideration;
- iii) a comparison of the Consideration to a discounted cash flow analysis of BlackPearl, including various sensitivities related to production levels and commodity prices;
- iv) the price of IPC Shares, prior to giving effect to the Arrangement, based on certain internal forecasts of IPC and GMP FirstEnergy, relative to trading multiples of selected public companies involved in the oil and natural gas industry;
- v) the price of IPC Shares, prior to giving effect to the Arrangement, relative to selected financial multiples, to the extent publicly available, of selected precedent transactions involving oil and gas producers and assets;
- vi) the price of IPC Shares, prior to giving effect to the Arrangement, relative to a discounted cash flow analysis of IPC, including various sensitivities related to production levels and commodity prices;

- vii) the pro forma price of IPC Shares, after giving effect to the Arrangement, based on certain internal forecasts of BlackPearl, IPC and GMP FirstEnergy, relative to trading multiples of selected public companies involved in the oil and natural gas industry;
- viii) the revenue, cash flow, production and reserves that each of BlackPearl and IPC would contribute to the combined entity relative to common share ownership and capitalization after giving effect to the Arrangement;
- ix) the liquidity of BlackPearl Shares, IPC Shares and potential pro forma IPC Shares; and
- x) other factors that GMP FirstEnergy deemed necessary and appropriate in the circumstances.

Key Assumptions and Limitations

GMP FirstEnergy has assumed and relied upon, with the Board's acknowledgement and subject to the exercise of its professional judgment, and not independently verified, the accuracy, completeness and fair representation of the data, advice, opinions, materials, information, representations, reports and discussions, including the Officers' Certificates (collectively, the "**Information**") referred to above and this Fairness Opinion is conditional upon such accuracy, completeness and fair representation and GMP FirstEnergy has assumed that since the date of the Information, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of BlackPearl or any of its subsidiaries or of IPC and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Fairness Opinion. GMP FirstEnergy's assumptions, the procedures GMP FirstEnergy adopted and the conclusions and opinions reached by GMP FirstEnergy are dependent, in part, upon all such facts and Information. With respect to operating and financial forecasts and budgets provided to GMP FirstEnergy and relied upon in its analysis, GMP FirstEnergy has assumed that they have been reasonably prepared on bases reflecting reasonable assumptions, estimates and judgments of BlackPearl and IPC, as appropriate, having regard to the plans, financial condition and prospects of BlackPearl and IPC, as the case may be, and in rendering its Fairness Opinion GMP FirstEnergy expresses no view as to the reasonableness of such forecasts or budgets or the assumptions on which they are based.

GMP FirstEnergy believes that the analyses and factors considered in arriving at its Fairness Opinion must be considered as a whole and are not necessarily amenable to partial analysis or summary description and that selecting portions of the analyses and the factors considered by GMP FirstEnergy, without considering all factors and analyses together, could create a misleading view of the process underlying the Fairness Opinion employed by GMP FirstEnergy and the conclusions reached in the Fairness Opinion. In arriving at its opinion, in addition to the facts and conclusions contained in the Information, GMP FirstEnergy has assumed, among other things, the validity and efficacy of the procedures being followed to execute the Arrangement Agreement and GMP FirstEnergy expresses no opinion on such procedures.

GMP FirstEnergy has, with respect to all accounting, legal and tax matters relating to the Arrangement Agreement and the implementation thereof, relied on the advice of accounting advisors and legal and tax counsel to BlackPearl, as applicable, including information disclosed in the Information Circular, and expresses no opinion thereon.

The Arrangement Agreement is subject to a number of conditions outside the control of BlackPearl and GMP FirstEnergy has assumed that the Transaction will be completed in accordance with its terms without waiver, modification or amendment of any material term, condition or agreement thereof and in accordance with all applicable laws, that all conditions precedent to the completion of the Transaction can and will be satisfied in due course and all consents, permissions, exemptions or orders of relevant regulatory authorities will be obtained, without adverse conditions or qualification.

In rendering this Fairness Opinion, GMP FirstEnergy expresses no view as to the likelihood that the conditions respecting the Transaction will be satisfied or waived or that the Transaction will be closed within the time frame indicated in the Information Circular. GMP FirstEnergy has also assumed that all of the representations and warranties contained in the Arrangement Agreement are true and correct in all material respects as of the date hereof.

In GMP FirstEnergy's analysis in connection with the preparation of its Fairness Opinion, GMP FirstEnergy made numerous assumptions which it believes to be reasonable with respect to the industry performance, general business and economic conditions and other matters, many of which are beyond the control of GMP FirstEnergy or BlackPearl.

The Fairness Opinion is rendered as of October 9, 2018 on the basis of securities markets, economic and general business and financial conditions prevailing on that date and the condition and prospects, financial and otherwise, of BlackPearl and IPC, as the case may be, as they were reflected in the Information provided to GMP FirstEnergy and as they were represented to GMP FirstEnergy in its discussions with the senior management of BlackPearl and IPC, respectively. Any material changes therein may affect the Fairness Opinion and, although it reserves the right to change or withdraw the Fairness Opinion in such event, GMP FirstEnergy disclaims any undertaking or obligation to advise any person of any such change that may come to GMP FirstEnergy's attention, or to update the Fairness Opinion after the date hereof.

The Fairness Opinion has been provided solely for the use of the Board and is not intended to be, and does not constitute, a recommendation to purchase securities nor should it be construed as a recommendation to vote in favour of the Transaction. GMP FirstEnergy's conclusion as to the fairness, from a financial point of view, of the consideration to be received under the Arrangement Agreement by the BlackPearl Shareholders is based on GMP FirstEnergy's review of the Transaction taken as a whole, rather than on any particular element of the Transaction, and this Fairness Opinion should be read in its entirety.

While in the opinion of GMP FirstEnergy the assumptions used in preparing this Fairness Opinion are appropriate in the circumstances, some or all of these assumptions may prove to be incorrect.

Conclusion and Fairness Opinion

Based upon and subject to all of the foregoing and such other matters as GMP FirstEnergy considered relevant, GMP FirstEnergy is of the opinion that, as of the date hereof, the consideration to be received by BlackPearl Shareholders pursuant to the Transaction is fair, from a financial point of view, to the BlackPearl Shareholders.

This Fairness Opinion may be relied upon by the Board for the purpose of considering the Transaction and making recommendations to BlackPearl Shareholders, but may not be published, reproduced, disseminated, quoted from or referred to, in whole or in part, or be used or relied upon by any other person for any other purpose without GMP FirstEnergy's express prior written consent. GMP FirstEnergy expressly consents to the duplication and inclusion of this Fairness Opinion in the Information Circular, as well as a summary thereof (in a form acceptable to GMP FirstEnergy) and to the filing thereof, as necessary, by BlackPearl and/or IPC with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada.

Yours very truly,

(signed) *"GMP Securities L.P."*

GMP Securities L.P.

APPENDIX H

INFORMATION CONCERNING INTERNATIONAL PETROLEUM CORPORATION

NOTICE TO READERS

Unless the context indicates otherwise, capitalized terms used in this Appendix H and not otherwise defined herein have the meanings given to such terms in "*Glossary of Terms*" in the Circular.

FORWARD-LOOKING STATEMENTS

Certain statements in this Appendix H, and in the documents incorporated by reference into this Appendix H, constitute forward-looking information and forward-looking statements (collectively, "**forward-looking statements**") within the meaning of applicable Securities Laws. Such forward-looking statements relate to future events, including the Arrangement or IPC's future performance. See "*Forward-Looking Statements*" in the Circular. Readers should also carefully consider the matters and cautionary statements discussed under "*Risk Factors*" in the Circular, and under "*Risk Factors*" in this Appendix H and the IPC AIF.

INTERNATIONAL PETROLEUM CORPORATION

General

IPC is incorporated under the *Business Corporations Act* (British Columbia) and is a reporting issuer in Alberta and Ontario. IPC is a reporting issuer in Alberta and Ontario. The IPC Shares are listed and posted for trading on the TSX and the Nasdaq under the symbol "IPCO".

IPC's head office is located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 and its registered and records office is located at 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3.

Substantially all of IPC's business is carried on through its various subsidiaries. For a complete description of IPC's organizational structure and significant Subsidiaries, see "*Corporate Structure*" in the IPC AIF.

Description of the Business

The main business of IPC is exploring for, developing and producing oil and gas. IPC holds a portfolio of oil and gas production assets and development projects in Canada, Malaysia, France and the Netherlands with exposure to growth opportunities. Since listing the IPC Shares in April 2017 in Canada and Sweden, IPC has been focused on delivering operational excellence, demonstrating financial resilience, maximizing the value of IPC's resource base and targeting growth through acquisition.

For further information regarding IPC, its corporate history and its business activities, see "*General Development of the Business*" and "*Description of the Business*" in the IPC AIF.

Documents Incorporated by Reference

The following documents of IPC, filed with the applicable Canadian Securities Administrators, are specifically incorporated by reference into and form an integral part of the Circular:

- (a) the IPC AIF;
- (b) the IPC Annual Financial Statements;
- (c) the IPC Annual MD&A;

- (d) the IPC Interim Financial Statements;
- (e) the IPC Interim MD&A;
- (f) the material change report of IPC dated October 9, 2018 regarding the Arrangement;
- (g) the material change report of IPC dated February 26, 2018 regarding IPC's reserves and resource information as of January 5, 2018;
- (h) the IPC BAR; and
- (i) the IPC Circular.

Any documents of the type required by NI 44-101 to be incorporated by reference in a short form prospectus, including any material change reports (except confidential material change reports), interim financial statements, annual financial statements and the auditors' report thereon, management's discussion and analysis, management information circulars, annual information forms and business acquisition reports (excluding those portions that are not required pursuant to NI 44-101 to be incorporated by reference herein) filed by IPC with the applicable Canadian Securities Administrators in Canada subsequent to the date of the Circular and prior to the completion of the Arrangement will be deemed to be incorporated by reference in the Circular. Copies of the documents incorporated by reference herein are available under IPC's profile on SEDAR at www.sedar.com and may be obtained, upon request, without charge, from IPC at Suite 2000 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, by telephone at 1-888-689-7842 (toll free in North America) or 1-604-689-7842 or by e-mail info@international-petroleum.com.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of the Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of the Circular.

Information contained or otherwise accessed through IPC's website, www.international-petroleum.com, or any other website, other than those documents incorporated by reference herein and filed on SEDAR, does not form part of the Circular.

Recent Developments

On October 9, 2018, IPC and BlackPearl entered into the Arrangement Agreement, pursuant to which IPC agreed to acquire all of the issued and outstanding BlackPearl Shares. Under the terms of the Arrangement, BlackPearl Shareholders will be entitled to receive 0.22 of an IPC Share for each BlackPearl Share held. For a full description of the Arrangement and the Arrangement Agreement, see "*The Arrangement*" and "*Effect of the Arrangement – The Arrangement Agreement*" in the Circular.

Significant Acquisitions

There are no acquisitions that IPC has completed within seventy five (75) days prior to the date of the Circular that are significant for the purposes of Part 8 of NI 51-102. In addition, other than the

Arrangement, there are no proposed acquisitions that have progressed to a state where a reasonable Person would believe that the likelihood of the acquisition being completed is high and would be a significant acquisition for the purposes of Part 8 of NI 51-102 if completed as of the date of the Circular.

Description of Share Capital

IPC is authorized to issue: (a) an unlimited number of IPC Shares; (b) an unlimited number of Class A Preferred Shares (the "**IPC Class A Preferred Shares**"); and (c) an unlimited number of Class B Preferred Shares (the "**IPC Class B Preferred Shares**" and, together with the IPC Class A Preferred Shares, the "**IPC Preferred Shares**"), issuable in series. The following is a summary of the rights, restrictions, privileges and conditions attached to the IPC Shares and the IPC Preferred Shares:

IPC Shares

As at the date hereof, there are 87,921,846 IPC Shares issued and outstanding. Holders of IPC Shares are entitled to receive notice of and to attend all meetings of IPC Shareholders, except meetings at which only holders of a specified class of shares are entitled to vote. Holders of IPC Shares are, at the discretion of the IPC Board and subject to applicable legal restrictions and the rights of holders of the IPC Preferred Shares, entitled to receive any dividends declared by the IPC Board on the IPC Shares and are entitled to share pro rata in the remaining property of IPC upon liquidation, dissolution or winding up, subject to the rights of the IPC Preferred Shares.

IPC Preferred Shares

As at the date hereof, there are 117,485,389 IPC Class A Preferred Shares issued and outstanding and no IPC Class B Preferred Shares outstanding. All of the issued and outstanding IPC Class A Preferred Shares are held by a Subsidiary of IPC.

The IPC Class A Preferred Shares are not listed on any stock exchange. Holders of IPC Class A Preferred Shares are not entitled to receive notice of, to attend or to vote at any meeting of IPC Shareholders, except as required by law. The IPC Class A Preferred Shares are redeemable and retractable at the option of the holder thereof and IPC, respectively. The price at which each IPC Class A Preferred Share may be retracted or redeemed (the "**Redemption Amount**"), as applicable, shall be the fair market value of the consideration received therefor as determined by the IPC Board at the time of issuance of the IPC Class A Preferred Shares, as adjusted from time to time pursuant to the terms of the IPC Class A Preferred Shares.

The holders of IPC Class A Preferred Shares are entitled to receive, if and when declared by the IPC Board, preferential non-cumulative dividends at a rate of 5% of the Redemption Amount applicable to such IPC Class A Preferred Shares.

Upon the liquidation, dissolution or winding-up of IPC, the holders of IPC Class A Preferred Shares are entitled to receive for each such IPC Class A Preferred Share, in priority to the holders of IPC Shares, the Redemption Amount per IPC Class A Preferred Share together with all declared but unpaid dividends thereon.

The IPC Class B Preferred Shares may be issued in one or more series with such rights, restrictions, privileges, conditions and designations attached thereto as may be determined by the IPC Board prior to the issuance thereof. Holders of IPC Class B Preferred Shares are not be entitled to receive notice of, to attend or to vote at any meeting of IPC Shareholders, except as required by law. With respect to the payment of dividends and distribution in the event of the liquidation, dissolution or winding-up of IPC, whether voluntary or involuntary, the IPC Class B Preferred Shares are entitled to preference over the IPC Shares and any other shares ranking junior to the IPC Class B Preferred Shares to the extent fixed in the case of each respective series and may also be given such other preferences over the IPC Shares

and any other shares ranking junior to the IPC Class B Preferred Shares as may be determined at the time of creation of such series of IPC Class B Preferred Shares.

Price Range and Trading Volumes

The IPC Shares are listed and posted for trading on the TSX and the Nasdaq under the symbol "IPCO". The following table sets forth the price ranges and aggregate trading volumes of the IPC Shares as reported by the TSX for the periods indicated.

	High (\$)	Low (\$)	Close (\$)	Volume
<u>2018</u>				
January	6.20	5.55	5.78	38,052
February	5.72	5.05	5.61	34,347
March	6.00	5.42	5.42	41,676
April	6.21	5.30	6.03	28,721
May	8.75	6.07	8.52	54,335
June	9.54	8.27	8.75	64,135
July	8.95	7.70	8.65	106,426
August	9.12	7.60	9.04	59,510
September	9.01	8.20	8.44	67,469
October	8.33	5.35	5.57	305,583
November (1 - 9)	6.42	5.51	5.62	154,101
<u>2017</u>				
November	6.10	5.21	5.80	67,075
December	5.75	5.05	5.51	24,478

On June 8, 2018, the IPC Shares were listed and posted for trading on the Nasdaq; prior to that date, the IPC Shares were listed and posted for trading on the Nasdaq First North Exchange (Stockholm). The following table sets forth the price ranges and aggregate trading volumes of the IPC Shares as reported by the Nasdaq for the periods indicated.

	High (SEK)	Low (SEK)	Close (SEK)	Volume
<u>2018</u>				
January	40.10	35.95	37.30	3,804,860
February	37.75	31.80	36.50	3,147,153
March	38.70	34.20	34.65	4,018,700
April	42.25	33.30	41.20	3,582,192
May	60.50	42.00	58.30	11,018,872
June	62.80	55.00	60.00	5,314,570
July	61.70	52.20	58.00	3,831,287
August	64.60	52.20	63.30	9,599,507
September	64.20	55.70	58.20	2,651,301
October	59.30	37.20	39.45	10,237,793
November (1 - 9)	46.10	39.75	40.10	4,700,827
<u>2017</u>				
November	41.20	34.50	37.20	5,154,352
December	38.10	33.60	35.80	3,122,715

On October 9, 2018, the last trading day on which the IPC Shares traded prior to announcement of the Arrangement, the closing price of the IPC Shares on the TSX and the Nasdaq was \$7.65 and SEK 53.40, respectively. On November 9, 2018, the closing price of the IPC Shares on the TSX and the Nasdaq was \$5.62 and SEK 1.23, respectively.

Prior Sales

IPC has not sold or issued any IPC Shares or securities convertible into IPC Shares during the 12 month period prior to the date of the Circular.

Consolidated Capitalization of IPC

For a table setting forth the consolidated capitalization of IPC as at September 30, 2018, both before and after giving effect to the Arrangement, see "*Information Concerning IPC Following Completion of the Arrangement – Pro Forma Information of IPC After Giving Effect to the Arrangement*". Also see Appendix J.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth, as of December 31, 2017, the number of IPC Shares which are authorized for issuance with respect to equity compensation plans of IPC. For additional information on IPC's equity compensation plans, see "*Securities Authorized for Issuance Under Equity Incentive Plans*" in the IPC Circular.

Plan category	Number of securities to be issued upon exercise of outstanding IPC Incentive Awards	Weighted-average exercise price of outstanding IPC Incentive Awards	Number of securities remaining available for future issuance under the IPC Incentive Plans (excluding securities reflected in column (a))
Equity compensation plans approved by IPC Shareholders	1,818,100 (IPC Options)	\$ 4.77 (IPC Options)	281,900 (IPC Options)
	733,307 (IPC Transitional PSUs)	N/A (IPC Transitional PSUs)	Nil (IPC Transitional PSUs)
	58,446 (IPC Transitional RSUs)	N/A (IPC Transitional RSUs)	Nil (IPC Transitional RSUs)
	501,500 (IPC PSUs)	N/A (IPC PSUs)	4,286,622 (IPC PSUs and IPC RSUs combined)
	211,878 (IPC RSUs)	N/A (IPC RSUs)	
Equity compensation plans not approved by IPC Shareholders	-	-	-
Total	1,818,100 (IPC Options)	\$ 4.77 (IPC Options)	281,900 (IPC Options)
	733,307 (IPC Transitional PSUs)	N/A (IPC Transitional PSUs)	Nil (IPC Transitional PSUs)
	58,446 (IPC Transitional RSUs)	N/A (IPC Transitional RSUs)	Nil (IPC Transitional RSUs)
	501,500 (IPC PSUs)	N/A (IPC PSUs)	4,286,622 (IPC PSUs and IPC RSUs combined)
	211,878 (IPC RSUs)	N/A (IPC RSUs)	

Risk Factors

Whether or not the Arrangement is completed, IPC will continue to face many of the risk factors that it currently face with respect to its business and affairs. These risk factors are described under the heading "*Risk Factors*" in the IPC AIF and "*Risks and Uncertainties*" in the IPC Annual MD&A and the IPC Interim MD&A, each of which is incorporated by reference herein.

Interest of Informed Persons in Material Transactions

Except as disclosed in the Circular, IPC is not aware of any material interest, direct or indirect, of any "informed person" (as defined in NI 51-102) of IPC, or any associate or affiliate of such Persons, in any transaction since the commencement of IPC's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect IPC or any of its Subsidiaries.

Auditors, Transfer Agent and Registrar

The auditors of IPC are PricewaterhouseCoopers AG. The registrar and transfer agent for the IPC Shares in Canada is Computershare Trust Company of Canada in Calgary, Alberta and Toronto, Ontario.

Additional Information

Additional information relating to IPC is available under IPC's profile on SEDAR at www.sedar.com. Financial information concerning IPC is contained in the IPC Annual Financial Statements, IPC Interim Financial Statements and the accompanying IPC Annual MD&A and IPC Interim MD&A, respectively, each of which is incorporated by reference herein and can be accessed under IPC's profile on SEDAR at www.sedar.com. In addition, IPC Shareholders may obtain copies of such documents by contacting IPC at Suite 2000 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, by telephone at 1-888-689-7842 (toll free in North America) or 1-604-689-7842 or by e-mail info@international-petroleum.com.

APPENDIX I

INFORMATION CONCERNING BLACKPEARL RESOURCES INC.

NOTICE TO READERS

Unless the context indicates otherwise, capitalized terms used in this Appendix I and not otherwise defined herein have the meanings given to such terms in "*Glossary of Terms*" in the Circular.

FORWARD-LOOKING STATEMENTS

Certain statements in this Appendix I, and in the documents incorporated by reference into this Appendix I, constitute forward-looking information and forward-looking statements (collectively, "**forward-looking statements**") within the meaning of applicable Securities Laws. Such forward-looking statements relate to future events, including the Arrangement or BlackPearl's future performance. See "*Forward-Looking Statements*" in the Circular. Readers should also carefully consider the matters and cautionary statements discussed under "*Risk Factors*" in the Circular, and under "*Risk Factors*" in this Appendix I and the BlackPearl AIF.

BLACKPEARL RESOURCES INC.

General

BlackPearl was incorporated under the *Business Corporations Act* (Alberta) as "Kilo Gold Mines Ltd." on October 15, 1984. On April 22, 1998, Kilo Gold Mines Ltd. changed its name to "Newmex Minerals Inc.". On July 22, 2002, Newmex Minerals Inc. continued under the CBCA. On February 28, 2006, Newmex Minerals Inc. changed its name to "Pearl Exploration and Production Ltd.". On May 8, 2009, Pearl Exploration and Production Ltd. changed its name to "BlackPearl Resources Inc.". On January 1, 2010, BlackPearl Resources Inc. was amalgamated with Pearl E&P Canada Ltd., its wholly-owned Canadian subsidiary, and the amalgamated company was named "BlackPearl Resources Inc."

BlackPearl is engaged in the exploration for, and the acquisition, development and production of, oil and natural gas. BlackPearl's properties are located in Canada and the United States. BlackPearl's registered and head office is located at 900, 215 – 9th Avenue S.W., Penn West Plaza West Tower, Calgary, Alberta T2P 1K3.

Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta and Toronto, Ontario, is the transfer agent and registrar of the BlackPearl Shares. BlackPearl's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, in Calgary, Alberta.

Recent Developments

On October 9, 2018, IPC and BlackPearl entered into the Arrangement Agreement, pursuant to which IPC agreed to acquire all of the issued and outstanding BlackPearl Shares. Under the terms of the Arrangement, BlackPearl Shareholders will be entitled to receive 0.22 of an IPC Share for each BlackPearl Share held. For a full description of the Arrangement and the Arrangement Agreement, see "*The Arrangement*" and "*Effect of the Arrangement – The Arrangement Agreement*" in the Circular.

Documents Incorporated by Reference

The following documents of BlackPearl, filed with the applicable Canadian Securities Administrators, are specifically incorporated by reference into and form an integral part of this Circular:

- (a) the BlackPearl AIF;

- (b) the BlackPearl Annual Financial Statements;
- (c) the BlackPearl Annual MD&A;
- (d) the BlackPearl Interim Financial Statements;
- (e) the BlackPearl Interim MD&A;
- (f) the material change report of BlackPearl dated October 9, 2018 regarding the Arrangement; and
- (g) the BlackPearl Circular.

Any documents of the type required by NI 44-101 to be incorporated by reference in a short form prospectus, including any material change reports (except confidential material change reports), interim financial statements, annual financial statements and the auditors' report thereon, management's discussion and analysis, management information circulars, annual information forms and business acquisition reports (excluding those portions that are not required pursuant to NI 44-101 to be incorporated by reference herein) filed by BlackPearl with the applicable Canadian Securities Administrators in Canada subsequent to the date of the Circular and prior to the completion of the Arrangement will be deemed to be incorporated by reference in the Circular. Copies of the documents incorporated by reference herein are available under BlackPearl's profile on SEDAR at www.sedar.com and may be obtained, upon request, without charge, by contacting the Corporate Secretary, BlackPearl Resources Inc., 900, 215 – 9th Avenue S.W., Calgary, Alberta T2P 1K3, by phone at (403) 213-8313 or by fax at (403) 265-5359.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of the Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of the Circular.

Information contained or otherwise accessed through BlackPearl's website, www.blackpearlresources.ca, or any other website, other than those documents incorporated by reference herein and filed on SEDAR, does not form part of the Circular.

Risk Factors

Whether or not the Arrangement is completed, BlackPearl will continue to face many of the risk factors that it currently faces with respect to its business and affairs. These risk factors are described under the heading "Risk Factors" in the BlackPearl AIF and "Risks and Uncertainties" in the BlackPearl Annual MD&A and the BlackPearl Interim MD&A, each of which is incorporated by reference herein.

Interest of Informed Persons in Material Transactions

Except as disclosed in the Circular, BlackPearl is not aware of any material interest, direct or indirect, of any "informed person" (as defined in NI 51-102) of BlackPearl, or any associate or affiliate of such persons, in any transaction since the commencement of BlackPearl's most recently completed financial

year or in any proposed transaction which has materially affected or would materially affect BlackPearl or any of its Subsidiaries.

Additional Information

Additional information relating to BlackPearl is available under BlackPearl's profile on SEDAR at www.sedar.com. Financial information concerning BlackPearl is contained in the BlackPearl Annual Financial Statements, BlackPearl Interim Financial Statements, BlackPearl Annual MD&A and BlackPearl Interim MD&A, respectively, each of which is incorporated by reference herein and can be accessed under BlackPearl's profile on SEDAR at www.sedar.com. In addition, BlackPearl Shareholders may obtain copies of such documents by contacting the Corporate Secretary, BlackPearl Resources Inc., 900, 215 – 9th Avenue S.W., Calgary, Alberta T2P 1K3, by phone at (403) 213-8313 or by fax at (403) 265-5359.

APPENDIX J

UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following tables set out the unaudited pro forma consolidated financial statements of IPC for the year ended December 31, 2017 and as at and for the nine months ended September 30, 2018, including the notes thereto. Reference should also be made to the (a) Financial Statements and (b) BlackPearl annual and interim financial statements, each of which are incorporated by reference herein and which can be found under IPC's and BlackPearl's respective profiles on SEDAR at www.sedar.com.

Unaudited Pro Forma Combined Condensed Consolidated Balance Sheet as at September 30, 2018

<i>Thousands USD</i>	Unaudited IPC	Unaudited BlackPearl Resources Inc. (1)	Unaudited Pro Forma Adjustments	Note	Unaudited Pro Forma IPC
Non-current assets					
Exploration and evaluation assets	9,151	138,402	(138,402)	2.D	9,151
Property, plant and equipment, net	690,709	539,068	(65,515)	2.A	1,164,262
Other tangible fixed assets, net	99,044	-	-		99,044
Financial assets	3	99	-		102
Deferred tax assets	2,796	8,903	38,287	2.E	49,986
Total non-current assets	801,703	686,472	(165,630)		1,322,545
Current assets					
Inventories	27,644	168	-		27,812
Trade and other receivables	74,440	15,651	-		90,091
Derivative instruments	28	38	-		66
Current tax	7,182	-	-		7,182
Cash and cash equivalents	8,135	3,044	-		11,179
Total current assets	117,429	18,901	-		136,330
TOTAL ASSETS	919,132	705,373	(165,630)		1,458,875
LIABILITIES					
Non-current liabilities					
Financial liabilities	216,891	94,951	1,106	2.C	312,948
Provisions	174,501	62,846	(24,942)	2.B	212,405
Deferred tax liabilities	58,799	-	-		58,799
Derivative instruments	-	2,215	-		2,215
Deferred consideration	-	10,235	-		10,235
Total non-current liabilities	450,191	170,247	(23,836)		596,602
Current liabilities					
Financial liabilities (or FV of risk management activities)	-	24,171	-		24,171
Trade and other payables	76,185	24,947	-		101,132
Provisions	13,640	504	-		14,144
Derivative instruments	460	-	-		460
Current tax liabilities	2,203	-	-		2,203
Current portion of deferred consideration	-	422	-		422
Total current liabilities	92,488	50,044	-		142,532
EQUITY					
Shareholders' equity	376,660	485,082	(141,794)	2.A	719,948
Non-controlling interest	(207)	-	-		(207)
Net shareholders' equity	376,453	485,082	(141,794)		719,741
TOTAL EQUITY AND LIABILITIES	919,132	705,373	(165,630)		1,458,875

(1) The information is based upon BlackPearl's unaudited numbers for the period in CAD but has for the purposes of this pro forma been converted into USD with a USD/CAD rate of 1.3013

Unaudited Pro Forma Combined Condensed Consolidated Statement of Operations for the nine months ended September 30, 2018

Thousands USD	Unaudited PC	Unaudited BlackPearl Resources Inc. (1)	Unaudited Reclassification	Unaudited Pro Forma Adjustments	Note	Unaudited Pro Forma PC
Sales of oil and gas	333,672	110,440	-	-		444,112
Change in under/over lift position	397	-	-	-		397
Other Revenue	14,213	-	-	-		14,213
Deferred Consideration	-	320	-	-		320
Royalties	(5,737)	(13,424)	-	-		(19,161)
Total Revenue	342,545	97,336	-	-		439,881
Cost of operations	(95,089)	(35,003)	-	-		(130,092)
Tariff and transportation expenses	(12,397)	(6,504)	-	-		(18,901)
Direct production taxes	(6,206)	-	-	-		(6,206)
Change in inventory position	6,480	-	-	-		6,480
Other costs	(19,834)	-	-	-		(19,834)
Production costs	(127,046)	(41,507)	-	-		(168,553)
Operating income	215,499	55,829	-	-		271,328
Depletion and decommissioning costs	(71,006)	(26,467)	-	1,906	3.2 A	(95,567)
Depreciation of other assets	(23,538)	-	-	-		(23,538)
Exploration and business development costs	(402)	-	-	-		(402)
In payment costs	-	-	-	-		-
Gross Profit	120,553	29,362	-	1,906		151,821
Loss on risk management contract	-	(30,925)	-	-		(30,925)
Stock Based Compensation	-	(3,272)	3,272	-	3.1 A	-
General administrative and depreciation expenses	(9,912)	(5,248)	(3,272)	-	3.1 A	(18,432)
Profit before financial items	110,641	(10,083)	-	1,906		102,464
Finance income	889	-	-	-		889
Foreign exchange loss, net	(6,176)	25	-	-		(6,151)
Unwinding of asset retirement obligation discount	(7,035)	(1,103)	-	(818)	3.2 B	(8,956)
Interest expense	(11,820)	(3,115)	-	-		(14,935)
Amortization of ban fees	(2,525)	(479)	-	-		(3,004)
Loan commitment fees	(583)	-	-	-		(583)
Other financial costs	(242)	-	-	-		(242)
Net financial items	(27,492)	(4,672)	-	(818)		(32,982)
Profit before tax	83,149	(14,755)	-	1,088		69,482
Income tax	(8,851)	3,177	-	(294)	3.2 C	(5,968)
Net result	74,298	(11,578)	-	794		63,514
Net result attributable to:						
Shareholders of the parent company	74,277	(11,578)	-	794		63,493
Non controlling interest	21	0	-	-		21
Earnings per share - USD (2)	0.84	-0.03			3.2 D	0.39
Earnings per share fully diluted - USD	0.83	-0.03				0.38
Weighted average common shares						
Basic	87,921,846	336,866,000	-	336,866,000	75,600,777	163,522,623
Diluted	89,906,745	341,591,000	-	341,591,000	75,600,777	165,507,522

(1) Derived from the audited financial statements of BlackPearl and then converted from CAD into USD with a USD/CAD rate of 1.2875

(2) Based on net result attributable to shareholders of the Parent Company

Unaudited Pro Forma Combined Condensed Consolidated Statement of Operations for the year ended December 31, 2017

Thousands USD	Audited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	IPC Consolidated Income Statement	Suffield Assets Operating Statement (4)	Pro Forma adjustments	IPC Consolidated Pro Forma Operating Statement (3)	BlackPearl Resources Inc. (1)	Reclassification	Pro Forma Adjustments Note	Pro Forma IPC Statement of Operations
Sales of oil and gas	185,182	185,659	-	370,841	116,535	-	-	487,376
Change in under/over lift position	(613)	-	-	(613)	-	-	-	(613)
Other Revenue	18,432	-	-	18,432	-	-	-	18,432
Deferred Consideration	-	-	-	-	423	-	-	423
Royalties	-	(7,183)	-	(7,183)	(16,275)	-	-	(23,458)
Total Revenue	203,001	178,476	-	381,477	100,683	-	-	482,160
Cost of operations	(53,389)	(54,984)	-	(108,373)	(40,680)	-	-	(149,053)
Tariff and transportation expenses	(3,361)	(36,202)	24,172	(15,391)	(6,668)	-	-	(22,059)
Direct production taxes	(3,999)	(112)	-	(4,111)	-	-	-	(4,111)
Change in inventory position	(3,688)	-	-	(3,688)	-	-	-	(3,688)
Other costs	-	-	(24,172)	(24,172)	-	-	-	(24,172)
Production costs	(64,437)	(91,298)	-	(155,735)	(47,348)	-	-	(203,083)
Operating income	138,564	-	-	225,742	53,335	-	-	279,077
Depletion and decommissioning costs	(54,555)	-	(44,315)	(98,870)	(32,372)	-	4,031 4.3 A	(127,211)
Depreciation of other assets	(31,629)	-	-	(31,629)	-	-	-	(31,629)
Exploration and business development costs	(3,786)	-	-	(3,786)	-	-	-	(3,786)
Impairment costs	164	-	-	164	-	-	-	164
Gross Profit	48,758	-	(44,315)	91,621	20,963	-	4,031	116,615
Sales of Assets	-	-	-	-	855	-	-	855
Gain (Loss) on risk management contract	-	-	-	-	(3,557)	-	-	(3,557)
Stock Based Compensation	-	-	-	-	(1,795)	1,795	- 4.2 A	-
General administrative and depreciation expenses	(10,400)	-	(1,600)	(12,000)	(6,438)	(1,795)	- 4.2 A	(20,233)
Profit before financial items	38,358	-	(45,915)	79,621	10,028	-	4,031	93,680
Finance income	94	-	-	94	123	-	-	217
Foreign exchange loss, net	(8,922)	-	-	(8,922)	(183)	-	-	(9,105)
Unwinding of asset retirement obligation discount	(3,557)	-	(5,346)	(8,903)	(1,281)	-	(824) 4.3 A	(11,008)
Interest expense	(1,378)	-	(12,285)	(13,663)	(926)	-	-	(14,588)
Amortization of ban fees	(700)	-	(2,748)	(3,448)	(317)	-	-	(3,765)
Loan commitment fees	(391)	-	(902)	(1,293)	-	-	-	(1,293)
Other financial costs	(53)	-	-	(53)	-	-	-	(53)
Net financial items	(14,907)	-	(21,281)	(36,188)	(2,584)	-	(824)	(39,595)
Profit before tax	23,451	-	(67,196)	43,433	7,444	-	3,207	54,085
Income tax	(728)	-	(5,395)	(6,123)	5,773	-	(866) 4.3 C	506
Net result	22,723	-	(72,591)	37,310	13,218	-	2,341	54,591
Net result attributable to:								
Shareholders of the parent company	22,718	-	-	37,305	13,218	-	2,341	54,586
Non controlling interest	5	-	-	5	-	-	-	5
Earnings per share - USD (2)	0.23	-	-	0.38	0.04	-	-	0.31
Earnings per share fully diluted - USD	0.23	-	-	0.38	0.04	-	4.3 D	0.31
Weighted average common shares								
Basic				98,587,027	336,230,000	- 336,230,000	75,600,777	174,187,804
Diluted				99,138,548	339,555,000	- 339,555,000	75,600,777	174,739,325

(1) Derived from the audited financial statements of BlackPearl and then converted from CAD into USD with a USD/CAD rate of 1.2982

(2) Based on net result attributable to shareholders of the Parent Company

(3) Please refer to the note 4.1 for the IPC Suffield Pro Forma adjustments

(4) Note that the Suffield Assets operating statement was audited to the production costs line only and has been translated into US dollars using the average rate for the year ended December 31, 2017 of 1.2982 CAD/USD

Notes to the Unaudited Pro Forma Combined Condensed Consolidated Financial Statements

On October 9, 2018, International Petroleum Corp. ("IPC" or the "Company") entered into an arrangement agreement to acquire BlackPearl Resources Inc. ("BlackPearl") pursuant to a plan of arrangement under Section 193 of the Business Corporations Act (Alberta) (the "Arrangement"). On January 5, 2018, the Company completed the acquisition of the Suffield area oil and gas assets in southern Alberta, Canada (the "**Suffield Assets**", while the acquisition of those assets is referred to as the "**Suffield Acquisition**")

1. Basis of presentation

These unaudited pro forma combined financial statements (the "pro forma information") of IPC have been prepared by management and reflect the assumed transaction and assumptions in connection with the Arrangement and the Suffield Acquisition. The pro forma information gives pro forma effect to the Arrangement and the Suffield Acquisition and debt necessary to finance the Suffield Acquisition in accordance with National Instrument 51-102 Continuous Disclosure Obligations by applying pro forma adjustments to IPC's, BlackPearl's and the Suffield Assets' historical financial statements. The pro forma reporting entity includes IPC and its subsidiaries as well as BlackPearl and the Suffield Assets. The unaudited pro forma combined condensed consolidated Balance sheet as at September 30, 2018 and the combined condensed consolidated statement of operations for the nine months ended September 30, 2018 gives effect to the BlackPearl Arrangement and assumptions described herein as if they had occurred on January 1, 2018. While the Suffield acquisition did not close until January 5, 2018, it was considered to form part of IPC from the beginning of the year as the results are substantially similar to what would have been contributed had the acquisition occurred on January 1, 2018.

The unaudited pro forma combined condensed consolidated statement of operations for the year ended December 31, 2017 gives effect to the BlackPearl Arrangement and to the Suffield Acquisition (see Note 4.1) and assumptions described herein as if they had occurred on January 1, 2017.

The accounting policies used in the preparation of the pro forma information are those set out in IPC's audited consolidated financial statements as at and for the year ended December 31, 2017 which were prepared in accordance with International Financial Reporting Standards ("IFRS") and IPC's unaudited combined condensed consolidated interim financial statements as at and for the nine months ended September 30, 2018, which were prepared in accordance with International Accounting Standard 34, using accounting policies consistent with IFRS. The pro forma information has been prepared from information derived from and should be read in conjunction with:

- IPC's audited consolidated financial statements as at and for the year ended December 31, 2017, together with the accompanying notes;
- IPC's unaudited combined condensed consolidated financial statements for the three and nine months ended September 30, 2018, together with the accompanying notes;
- BlackPearl's audited financial statements as at and for the year ended December 31, 2017, together with the accompanying notes; and
- BlackPearl's unaudited financial statements for the three and nine months ended September 30, 2018, together with the accompanying notes.
- The Suffield Assets' audited operating statement for the year ended December 31, 2017, together with the accompanying notes.

For the purposes of the unaudited pro forma combined statement of operations, the statement of operations for BlackPearl and the Suffield Assets for the year ended December 31, 2017 and the statement of operations for BlackPearl for the nine month period ended September 30, 2018, which are presented in Canadian dollars, have been translated into US dollars using the following foreign exchange rates:

Average rate for the year ended December 31, 2017: 1.2982 CAD/USD

Average rate for the nine month period ended September 30, 2018: 1.2875 CAD/USD

For the purposes of the unaudited pro forma combined condensed consolidated balance sheet, the consolidated balance sheet for BlackPearl as at September 30, 2018, which is presented in Canadian dollars, has been translated into US dollars using the following foreign exchange rate:

Closing rate for the nine month period ended September 30, 2018: 1.3013 CAD/USD

The description of certain line items in the Unaudited Combined Condensed Consolidated Statements of Comprehensive Income of BlackPearl for the nine month period ended September 30, 2018 has been changed to be consistent with the IPC unaudited interim combined condensed consolidated financial statements terminology and classification.

The pro forma information may not be indicative of the results that would have occurred if the events reflected herein had been in effect on the dates indicated or of the results which may be obtained in the future. No adjustments have been made to reflect the operating synergies and administrative cost savings that could result from the combination of these entities. The allocation of the total consideration to the net assets acquired in the Arrangement is preliminary and based on estimates of fair value and other amounts and such estimates may be adjusted in the future. As these amounts are preliminary, differences in the actual amounts assigned to the fair values of the identifiable assets and liabilities upon the completion of detailed valuations and calculations could differ materially and result in changes in periods subsequent to completion of the Arrangement. In the opinion of management, the pro forma information includes all material adjustments necessary for a fair presentation of the financial results and financial position of IPC.

2. Pro forma Combined Condensed Consolidated Balance Sheet as at September 30, 2018

The unaudited pro forma combined condensed consolidated balance sheet as at September 30, 2018 gives effect to the Arrangement as if it had occurred on January 1, 2018, considering the assumptions described below.

A. Consideration and Purchase Price Allocation

Shares issued assumes 75,600,777 IPC common shares are issued to shareholders of BlackPearl at a share price of CAD 5.91 (USD 4.54) for a total consideration of USD 343,288 thousand. The price assumed in the pro forma information is based on BlackPearl's closing share price on October 18, 2018 of CAD 1.30. The number of IPC common shares issued is based on the estimated number of BlackPearl common shares outstanding, the estimated numbers of stock options "in the money" and RSUs which both vest on a change of control, multiplied by the 0.22 exchange ratio established in the Arrangement. The final consideration will change based on fluctuations in IPC's share price and the number of BlackPearl common shares outstanding on the closing date of the Arrangement. Determinations of fair value often require management to make assumptions and estimates about future events. The purchase price allocation is preliminary as the acquisition has not closed as of the date of the pro forma information.

The final calculation of the purchase price will be based on the fair value of the net assets purchased following the closing of the Arrangement and other information available at that time. There may be material differences from this pro forma purchase price allocation as a result of finalizing the valuation.

The Arrangement has been accounted for as a business combination using the acquisition method of accounting whereby the assets acquired and liabilities assumed are recognized at their fair value. The fair value assigned to the net assets acquired is preliminary and based on estimates and assumptions using information available at the time of preparation of this pro forma financial information.

Estimated number of IPC common shares to be issued		75,600,777
IPC common share price at October 26, 2018	CAD	5.91
Consideration	CAD '000	446,725
Consideration equivalent at an exchange rate of USD /CAD 1.3013	USD '000	343,288

Thousands USD

Fair value of assets and liabilities of BlackPearl acquired:

Cash and cash equivalents		3,044
Trade and other receivables		14,449
Inventory		168
Prepaid expenses and deposits		1,201
Fair value of risk management assets		137
Deferred tax assets		47,190
Exploration and evaluation assets		-
Property, plant and equipment		473,553
Accounts payable and accrued liabilities		(24,946)
Fair value of risk management liabilities		(26,386)
Decommissioning liabilities		(38,409)
Deferred consideration		(10,657)
Long-term debt		(96,057)
Net assets acquired		343,288

No goodwill or negative goodwill has been recognized in the preliminary allocation of the purchase price.

The amounts disclosed above were determined provisionally pending the finalization of the valuation for those assets and liabilities. Up to twelve months from the Effective Date of the Arrangement, further adjustments may be made to the fair values assigned to the identifiable assets acquired and liabilities assumed, as well as to the fair value of the consideration transferred.

B. Asset retirement obligations

The book value of asset retirement obligations as reflected in BlackPearl's balance sheet was measured using a risk-free rate of 2.45 per cent. For the purpose of the preliminary purchase price allocation, the fair value of asset retirement obligations was adjusted to use a credit adjusted risk-free rate of 8 per cent. As a result of the change in the discount factor used, an adjustment of USD 24,942 thousand has been recognized.

C. Financial liabilities

The fair value of the long term debt as recognized by BlackPearl has been adjusted for the capitalized borrowing costs for an amount of USD 1,106 thousand to recognize the full outstanding liability under the BlackPearl credit facilities being CAD 125,000 thousand (USD 96,057 thousand).

D. *Exploration and evaluation ("E&E") assets*

No value has been allocated to contingent resources and therefore IPC has not allocated any of the preliminary purchase price to the E&E assets.

E. *Deferred Tax Assets*

The net deferred tax assets was adjusted by USD 38,287 thousand by applying the Canadian income tax rate of 27% to the temporary differences identified within the preliminary purchase price allocation.

3. *Pro forma Combined Condensed Consolidated Statement of Operations for the nine month period ended September 30, 2018*

The unaudited pro forma combined condensed consolidated statement of operations for the nine month period ended September 30, 2018 gives effect to the Arrangement as if it had occurred on January 1, 2018, considering the assumptions described below.

3.1 *Reclassifications*

Certain items have been reclassified in the unaudited pro forma combined condensed consolidated statement of operations to align revenues and expenses of BlackPearl to IPC's statement of operations presentation as follows.

A. *Stock based compensation*

The stock based compensation amount has been reclassified within the line "general administrative and depreciation expenses".

Other than this reclassification, management did not identify any material differences between the accounting policies applied by IPC and the accounting policies used in the preparation of the unaudited statement of operations of BlackPearl.

3.2 *Pro forma adjustments*

Pro forma adjustments have been made in the following lines of the unaudited pro forma combined condensed consolidated statement of operations.

A. *Depletion and decommissioning costs*

A decrease in the depletion charge of USD 1,906 thousand has been reflected to recognize the revised depletion base of the property, plant and equipment following the preliminary purchase price allocation. To calculate the adjustment, an average depletion rate per boe of CAD 9.93 was calculated and has been applied to total production volumes produced by BlackPearl as stated in their MD&A for the nine month period ended September 30, 2018.

B. *Unwinding of asset retirement obligation discount*

The unwinding of the discounting of the asset retirement obligation for BlackPearl has been adjusted based on the calculation made for the preliminary allocation of the purchase price. The discount rate assumed is 8 per cent and the discounting is being assumed to be unwound to the estimated dates of abandoning each well and facility belonging to BlackPearl. The adjustment amounts to USD 818 thousand for the nine month period ending September 30, 2018.

C. *Income tax*

A deferred tax credit has been recognised for an amount of USD 294 thousand to reflect the deferred tax impact on the pro forma adjustments. This adjustment was recorded using the Canadian income tax rate of 27%.

D. *Earnings per share*

Pro forma basic and diluted earnings per share was calculated using the pro forma net result divided by the weighted average number of IPC shares outstanding after giving effect to the Arrangement (see Note 2A).

4. **Pro forma Combined Condensed Consolidated Statement of Operations – for the year ended December 31, 2017**

The IPC combined condensed consolidated pro forma statement of operations for the year ended December 31, 2017 gives effect to the Suffield Acquisition and the Arrangement as if they had occurred on January 1, 2017.

4.1 **IPC Combined Condensed Consolidated Pro Forma Statement of Operations related to the Suffield Acquisition**

The IPC combined condensed consolidated pro forma statement of operations gives effect to the Suffield Acquisition as if it had occurred on January 1, 2017.

Unaudited Pro Forma Income Statement for 2017

USD Thousands	Audited IPC Consolidated Income Statement	Audited Suffield Assets Operating Statement ¹	Unaudited Pro Forma Adjustments	Unaudited IPC Condensed Pro Forma Income Statement
Sales of oil and gas	185,182	185,659	–	370,841
Change in under/over lift position	(613)	–	–	(613)
Other revenue	18,432	–	–	18,432
Royalties	–	(7,183)	–	(7,183)
Total Revenue	203,001	178,476	–	381,477
Cost of operations	(53,389)	(54,984)	–	(108,373)
Tariff and transportation expenses	(3,361)	(36,202)	24,172	(15,391)
Direct production taxes	(3,999)	(112)	–	(4,111)
Change in inventory position	(3,688)	–	–	(3,688)
Other costs	–	–	(24,172)	(24,172)
Production costs	(64,437)	(91,298)	–	(155,735)
Depletion and decommissioning costs	(54,555)	–	(44,315)	(98,870)
Depreciation of other assets	(31,629)	–	–	(31,629)
Exploration and business development costs	(3,786)	–	–	(3,786)
Impairment costs	164	–	–	164
Gross Profit	48,758	–	(44,315)	91,621
General administrative and depreciation expenses	(10,400)	–	(1,600)	(12,000)
Profit before financial items	38,358	–	(45,915)	79,621
Finance income	94	–	–	94
Foreign exchange loss, net	(8,922)	–	–	(8,922)
Unwinding of asset retirement obligation	(3,557)	–	(5,346)	(8,903)

discount			
Interest expense	(1,378)	(12,285)	(13,663)
Amortization of loan fees	(700)	(2,748)	(3,448)
Loan commitment fees	(391)	(902)	(1,293)
Other financial costs	(53)	–	(53)
Net financial items	(14,907)	(21,281)	(36,188)
Profit before tax	23,451	(67,196)	43,433
Income tax	(728)	(5,395)	(6,123)
Net result	22,723	(72,591)	37,310

¹ Note that the Suffield Assets operating statement was audited to the production costs line only and has been translated into US dollars using the average rate for the year ended December 31, 2017 of 1.2982 CAD/USD.

See the accompanying notes to the Unaudited Condensed Pro Forma Income Statement.

Note 1 – Basis of Presentation

The Unaudited Condensed Pro Forma Income Statement of the Corporation for the year ended December 31, 2017 has been prepared by management of the Corporation for illustrative purposes only and gives effect to the Suffield Acquisition and the debt issuances necessary to finance the Suffield Acquisition as if the Suffield Acquisition had occurred on January 1, 2017. The Unaudited Condensed Pro Forma Income Statement has been compiled in accordance with the requirements of Annex II to Commission Regulation (EC) No 809/2004 and on a basis consistent with the Corporation's accounting policies.

The Unaudited Condensed Pro Forma Income Statement has been compiled from information derived from, and should be read in conjunction with:

- the audited consolidated financial statements of the Corporation as at and for the year ended December 31, 2017; and
- the audited operating statement for the Suffield Assets for the year ended December 31, 2017.

The description of certain line items in the audited operating statement for the Suffield Assets for the year ended December 31, 2017 has been changed to be consistent with the IPC Audited Consolidated Financial Statements classification.

The Unaudited Condensed Pro Forma Income Statement may not be indicative of the results that would have occurred if the events reflected therein had been in effect on the date indicated or of the results, which may be obtained in the future. The actual results of operations of the Corporation for any period following the closing of the Suffield Acquisition will vary from the amounts set forth in the Unaudited Condensed Pro Forma Income Statement and such variation may be material.

The Unaudited Condensed Pro Forma Income Statement has been compiled using accounting policies consistent with those applied by IPC for the preparation of its consolidated financial statements. Pro forma financial information is by its nature intended to describe a hypothetical situation. The Corporation is only presenting the Unaudited Condensed Pro Forma Income Statement for illustrative purposes, and the Unaudited Condensed Pro Forma Income Statement should not be seen as an indication of the actual profits that would have occurred had the events mentioned above actually have occurred at the indicated dates. Further, the Unaudited Condensed Pro Forma Income Statement should not be seen as an indication of the Corporation's future profit.

Note 2 – Pro Forma adjustments

The Unaudited Condensed Pro Forma Income Statement gives effect to the Suffield Acquisition as if it had occurred on January 1, 2017, considering the assumptions described below.

Certain items have been reclassified in the Unaudited Condensed Pro Forma Operating Statement to appropriately align the revenues and expenses of the Suffield Assets to IPC's financial statements presentation. Cenovus purchased condensate to dilute oil production and meet pipeline specification for its Suffield oil products. A pro forma adjustment of USD 24,172 thousand relating to condensate used for blending, has been reflected in the Unaudited Condensed Pro Forma Income Statement to reclassify such item from the line "Tariff and transportation expenses" as reported under the Suffield Assets information into the line "Other costs".

Other than this reclassification, management did not identify any material difference between the accounting policies applied by IPC and the accounting policies used in the preparation of the audited operating statements for the Suffield Assets.

Pro forma Adjustments have been made in the following lines of the Unaudited Condensed Pro Forma Income Statement:

(i) *Depletion and decommissioning costs*

A depletion rate of CAD 6.44 per boe has been applied to total production volumes produced by the Suffield Assets for the year ended 2017. This depletion rate is based on the rate calculated for the financial statements for the first quarter of 2018 following the preliminary allocation of the purchase price. There have been no material changes to the preliminary allocation of the purchase price.

(ii) *General administrative and depreciation expenses*

Additional general, administrative and depreciation expenses have been included in the pro forma to reflect the estimated annual amount that would have been charged to the income statement had the Suffield Acquisition completed on January 1, 2017.

(iii) *Unwinding of asset retirement obligation discount*

The unwinding of the discounting of the abandonment retirement obligation for the Suffield Assets has been included based on the calculation made for the preliminary allocation of the purchase price. The discount rate assumed is 8 per cent and the discounting is being assumed to be unwound to the estimated dates of abandoning each well and facility belonging to the Suffield Assets.

(iv) *Interest expense, amortization of loan fees and loan commitment fees*

The interest expense, amortization of loan fees and loan commitment fees have been calculated assuming that the financing associated with the Suffield Acquisition was entered into on January 1, 2017. All cash flow generated for 2017 from the Suffield Assets has been assumed to have been used to partly repay the Canadian loan facility. Average 2017 floating interest rates of 1.2 percent and 1.1 percent were applied for the International reserve-based lending facility and the Canadian loan facility respectively.

(v) *Income tax*

Income tax on the pro forma Canadian taxable income for 2017 has been applied at the Canadian tax rate of 27 percent.

4.2 Reclassifications relating to the BlackPearl Acquisition

Certain items have been reclassified in the unaudited pro forma combined condensed consolidated statement of operations to align revenues and expenses of BlackPearl to IPC's statement of operations presentation as follows.

A. *Stock based compensation*

The stock based compensation amount has been reclassified within the line "general administrative and depreciation expenses".

Other than this reclassification, management did not identify any material differences between the accounting policies applied by IPC and the accounting policies used in the preparation of the unaudited statement of operations of BlackPearl.

4.3 Pro Forma Adjustments relating to the BlackPearl Acquisition

Pro forma adjustments have been made in the following lines of the unaudited pro forma combined condensed consolidated statement of operations.

A. *Depletion and decommissioning costs*

A decrease in the depletion charge of USD 4,031 thousand has been reflected to recognize the revised depletion base of the property, plant and equipment following the preliminary purchase price allocation. To calculate the adjustment, an average depletion rate per boe of CAD 9.93 was calculated and has been applied to total production volumes produced by BlackPearl as stated in their MD&A for the year ended December 31, 2017.

B. *Unwinding of asset retirement obligation discount*

The unwinding of the discounting of the asset retirement obligation for BlackPearl has been included based on the calculation made for the preliminary allocation of the purchase price. The discount rate assumed is 8 per cent and the discounting is being assumed to be unwound to the estimated dates of abandoning each well and facility belonging to BlackPearl. The adjustment amounts to USD 824 thousand for year ended December 31, 2017.

C. *Income tax*

A deferred tax credit has been recognised for an amount of USD 866 thousand to reflect the deferred tax impact on the pro forma adjustments. This adjustment was recorded using the Canadian income tax rate of 27%.

D. *Earnings per share*

Pro forma basic and diluted earnings per share was calculated using the pro forma net result divided by the weighted average number of IPC shares outstanding after giving effect to the Arrangement (see Note 2A).