

*This document is important and requires your immediate attention. If you are in doubt as to how to address any matters contained in this document, you should consult your investment dealer, stock broker, bank manager, lawyer, accountant or other professional advisor.*

*The Offer (as defined below) has not been approved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.*

*This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, and deposits will not be accepted from or on behalf of, Shareholders (as defined below) in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of that jurisdiction. However, International Petroleum Corporation may, in its sole discretion, take such action as it may deem necessary to lawfully make the Offer in any such jurisdiction and to extend the Offer to Shareholders in such jurisdiction.*

*This document is not a prospectus or an offer document (Sw. erbjudandehandling) as defined in Swedish takeover rules and regulations. The Offer described in this document does not constitute a take-over offer. The Offer pursuant to this document is not being made to persons whose participation in the Offer requires that any additional document or prospectus is prepared or registration effected or that any other measures are taken in addition to those required under Swedish or Canadian laws and rules. This document and any other documentation relating to the Offer are not being distributed and must not be mailed or otherwise distributed or sent to any country in which such distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.*

May 11, 2022



## **OFFER TO PURCHASE FOR CASH**

**UP TO CDN\$128,000,000 IN VALUE OF ITS COMMON SHARES AT A PURCHASE PRICE OF NOT LESS THAN CDN\$12.00 AND NOT MORE THAN CDN\$14.00 PER COMMON SHARE**

International Petroleum Corporation ("**IPC**", the "**Corporation**", "**we**" or "**us**") hereby invites holders ("**Shareholders**") of its common shares ("**Shares**") to tender, for purchase and cancellation by the Corporation, Shares for an aggregate purchase price not exceeding CDN\$128,000,000 (equivalent to approximately SEK 989 million or US\$98.4 million) (the "**Tender Limit Amount**"). The purchase price per Share (the "**Purchase Price**") will be determined by the Corporation in the manner described below, but will not be less than CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share), nor will it be more than CDN\$14.00 per Share (equivalent to approximately SEK 108.19 per Share). The invitation and all tenders of Shares are subject to the terms and conditions set forth in the Offer to Purchase (as defined herein), the accompanying Issuer Bid Circular (the "**Circular**"), the Letter of Transmittal (as defined below), the Notice of Guaranteed Delivery (as defined in the Offer to Purchase) and the Euroclear Sweden Tender Form (as defined in the Offer to Purchase) (the terms and conditions found in all such documents, as amended or supplemented from time to time, collectively constitute the "**Offer**"). The Offer is not being made for any series of the Corporation's preferred shares.

**All Shareholders who sell Shares under the Offer are generally expected to realize deemed dividends for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**").**

The amount of any such deemed dividend received by Euroclear Shareholders (as defined below) will be subject to Canadian withholding tax at a rate of 25%, irrespective of whether any such Shareholder is (i) a resident of Canada; or (ii) a non-resident of Canada and is entitled to the benefits of an applicable income tax treaty or convention.

The amount of any such deemed dividend received by a Non-Euroclear Shareholder (as defined below) who is a non-resident of Canada will be subject to Canadian withholding tax at a rate of 25% or such lower rate as may be substantiated under the terms of an applicable income tax treaty or convention.

In view of the deemed dividend tax treatment under the Tax Act of a sale of Shares pursuant to the Offer as opposed to the capital gain or capital loss tax treatment that would generally apply to a sale of Shares in the market, Shareholders who wish to sell their Shares should consult their own tax advisors regarding selling their Shares in the market as an alternative to tendering their Shares pursuant to the Offer, in order to receive capital gain (or capital loss) treatment on the disposition of their Shares. The selling price for such market sales may be different from the Purchase Price. For greater certainty, participation in the Offer is voluntary and each Shareholder should decide whether or not to participate. Shareholders may choose to neither tender their Shares to this Offer nor to sell them in the open market.

Shareholders are urged to evaluate carefully all information in the Offer, consult their own financial, legal, investment, tax and other professional advisors in respect of the Offer. See Section 14 of the Circular, "*Tax Considerations*".

The Offer will commence on May 16, 2022. If you are a Shareholder who holds Shares directly or indirectly through Euroclear Sweden (a "**Euroclear Shareholder**"), the Offer will expire at 5:00 p.m. (Central European Time) on June 20, 2022 (the "**Euroclear Expiration Date**"). If you are a Shareholder who does not hold Shares directly or indirectly through Euroclear Sweden (a "**Non-Euroclear Shareholder**"), the Offer will expire at 5:00 p.m. (Eastern Standard Time) on June 28, 2022 (the "**Non-Euroclear Expiration Date**"). The Corporation retains the right, subject to applicable laws, to extend the Euroclear Expiration Date and the Non-Euroclear Expiration Date to such dates and times as it may determine. If you are in any doubt as to whether you are a Euroclear Shareholder or a Non-Euroclear Shareholder, please contact your investment dealer, stock broker, bank manager, lawyer, accountant or other professional advisor.

The Offer is not conditional upon any minimum number of Shares being tendered. The Offer is, however, subject to other conditions, and we reserve the right, subject to applicable laws, to withdraw and terminate the Offer and not take up and pay for any Shares deposited pursuant to the Offer if the conditions of the Offer are not satisfied or waived by us. See Section 8 of the Offer to Purchase, "*Conditions of the Offer*".

Shareholders wishing to tender to the Offer may do so as follows:

- auction tenders (an "**Auction Tender**"), in which the tendering Shareholders specify the number of Shares being tendered at a price per Share of not less than CDN\$12.00 (equivalent to approximately SEK 92.74) and not more than CDN\$14.00 (equivalent to approximately SEK 108.19) and in increments of CDN\$0.20 (equivalent to approximately SEK 1.55) within that range; or
- purchase price tenders, in which the tendering Shareholders do not specify a price per Share, but instead agree to have a specified number of Shares purchased at the Purchase Price to be determined pursuant to the Offer (a "**Purchase Price Tender**").

**All Shares purchased by the Corporation pursuant to the Offer (including Shares tendered at auction prices below the Purchase Price) will be purchased at the same Purchase Price.**

If the Purchase Price is determined to be CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share) (which is the minimum Purchase Price under the Offer), the maximum number of Shares that may be purchased by the Corporation is 10,666,666 Shares. If the Purchase Price is determined to be CDN\$14.00 per Share (equivalent to approximately SEK 108.19 per Share) (which is the maximum Purchase Price under the Offer), the maximum number of Shares that may be purchased by the Corporation is 9,142,857 Shares.

Shareholders who wish to deposit Shares without specifying a price at which such Shares may be purchased by the Corporation should tender Shares in a Purchase Price Tender. Under a Purchase Price Tender, Shares will be purchased, upon the terms and subject to the conditions of the Offer, at the Purchase Price determined as provided herein. Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares, will be deemed to have made a Purchase Price Tender.

We are conducting the Offer through a "modified Dutch Auction" procedure. This procedure allows Shareholders making Auction Tenders to select a price of not more than CDN\$14.00 per Share (equivalent to approximately SEK 108.19 per Share) and not less than CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share) (in increments of CDN\$0.20 (equivalent to approximately SEK 1.55)) at which they are willing to deposit all or part of their Shares. All Shareholders (i.e., Euroclear Shareholders and Non-Euroclear Shareholders) who deposit Shares pursuant to an Auction Tender may do so only at a price that is denominated in Canadian dollars and not in any other currency, such as Swedish Krona.

As promptly as practicable after the Non-Euroclear Expiration Date, we will, pursuant to the terms and subject to the conditions of the Offer, determine the Purchase Price that we will pay for Shares validly deposited pursuant to the Offer and not withdrawn. The Purchase Price will be determined in the manner described herein, taking into account the auction prices and the number of Shares deposited pursuant to Auction Tenders and Purchase Price Tenders. Shares deposited pursuant to Purchase Price Tenders will be deemed to have been deposited at a price of CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share) for the purpose of determining the Purchase Price (which is the minimum Purchase Price under the Offer). The Purchase Price will be the lowest price per Share that will enable us to purchase the maximum number of Shares validly deposited and not withdrawn pursuant to Auction Tenders and Purchase Price Tenders having an aggregate purchase price not exceeding the Tender Limit Amount. Shares validly deposited pursuant to an Auction Tender will only be taken up if the price specified in the Auction Tender by the depositing Shareholder is equal to or less than the Purchase Price. See Section 2 of the Offer to Purchase, "*Purchase Price*".

Shareholders who have properly deposited Shares pursuant to an Auction Tender at or below the Purchase Price or pursuant to a Purchase Price Tender and who have not withdrawn such Shares (in accordance with Section 7 of the Offer to Purchase, "*Withdrawal Rights*") will receive the Purchase Price, payable in cash (subject to applicable withholding taxes, if any), for all Shares purchased, on the terms and subject to the conditions of the Offer, including the provisions relating to proration, as described herein.

Shareholders validly depositing Shares pursuant to Auction Tenders at CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share) (the minimum Purchase Price under the Offer) and Shareholders validly depositing Shares pursuant to Purchase Price Tenders can reasonably expect to have such Shares purchased at the Purchase Price if any Shares are purchased under the Offer (subject to provisions relating to rounding to whole Shares and proration, each as described herein).

As of May 10, 2022, 150,966,013 Shares were issued and outstanding, and accordingly the Offer is for approximately 7.1% of the total number of issued and outstanding Shares if the Purchase Price is determined to be CDN\$12.00 (equivalent to approximately SEK 92.74) (being the minimum Purchase Price under the Offer) and for approximately 6.1% of the total number of issued and outstanding Shares if the Purchase Price is determined to be CDN\$14.00 (equivalent to approximately SEK 108.19) (being the maximum Purchase Price under the Offer).

The Shares are listed for trading on the Toronto Stock Exchange ("**TSX**") in Canada and on Nasdaq Stockholm (as defined in the Offer to Purchase) in Sweden, in each case, under the trading symbol "IPCO".

The closing price of the Shares on May 2, 2022 (the last full trading day before IPC announced its intention to make the Offer) on the TSX and Nasdaq Stockholm was CDN\$12.28 and SEK 92.65, respectively. The ten-day volume-weighted average price of the Shares on May 2, 2022 on the TSX and Nasdaq Stockholm was CDN\$12.37 and SEK 94.44, respectively. Further, the closing price of the Shares on May 10, 2022 (the last full trading day before the date of the Offer to Purchase and Circular) on the TSX and Nasdaq Stockholm was CDN\$11.78 and SEK 91.70, respectively. The ten-day volume-weighted average price of the Shares on May 10, 2022 on the TSX and Nasdaq Stockholm was CDN\$12.24 and SEK 94.78, respectively. During the six months ended May 10, 2022: (i) the closing price of the Shares on the TSX has ranged from a low of CDN\$6.32 to a high of CDN\$13.15 per Share; and (ii) the closing price of the Shares on Nasdaq Stockholm has ranged from a low of SEK43.8 to a high of SEK100 per Share.

**The Purchase Price will be denominated in Canadian dollars and the Corporation's obligation to make payment of amounts owing to a depositing Shareholder whose Shares are taken up will be made in Canadian dollars; provided, however, that Euroclear Shareholders will receive a corresponding amount in Swedish Krona to the Purchase Price, subject to applicable withholding taxes. The risk of any fluctuations between Canadian dollars and Swedish Krona, including risks relating to the particular date and time at which funds are converted, will be solely borne by tendering Euroclear Shareholders.**

We will publicly announce the Purchase Price following the Non-Euroclear Expiration Date and, upon the terms and subject to the conditions of the Offer (including the proration provisions, as described herein), we will pay the Purchase Price in cash (subject to applicable withholding taxes, if any) to all Shareholders who have validly deposited (and have not withdrawn) their Shares pursuant to Auction Tenders at prices equal to or less than the Purchase Price or pursuant to Purchase Price Tenders.

If the Offer would result in an aggregate purchase price of more than the Tender Limit Amount, a pro rated portion of the Shares tendered pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders will be purchased. See Section 3 of the Offer to Purchase, "*Number of Shares, Proration*", for additional details, including the formula that we will use to determine proration. If no Auction Tenders or Purchase Price Tenders are made pursuant to the Offer, we will not purchase any Shares pursuant to the Offer.

All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares (rounding down to the nearest whole number of Shares). All payments to Shareholders will be subject to the deduction of applicable withholding taxes. See Section 14 of the Circular, "*Tax Considerations*".

All Deposited Shares (as defined below) not purchased, including all Shares deposited pursuant to Auction Tenders at prices in excess of the Purchase Price, Shares not purchased due to proration and Shares not accepted for purchase, will be returned to the depositing Shareholder promptly after the Non-Euroclear Expiration Date or termination of the Offer without expense to the depositing Shareholder.

We have concluded that we can rely on the "liquid market exemption" specified in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. In addition, while not required under securities laws, our Board of Directors (as defined below) has voluntarily obtained a Liquidity Opinion (as defined in the Offer to Purchase) from BMO Nesbitt Burns Inc. ("**BMO Capital Markets**"), which is also serving as the Canadian Dealer Manager for the Offer (the "**Canadian Dealer Manager**"), to the effect that, based on and subject to the qualifications, assumptions and limitations stated in the Liquidity Opinion, as of May 2, 2022 (i) a liquid market for the Shares exists; and (ii) it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. A copy of the Liquidity Opinion of BMO Capital Markets is attached hereto as Schedule "A". The summary of the Liquidity Opinion herein is qualified in its entirety by reference to the full text of the Liquidity Opinion. The Board of Directors urges Shareholders to read the Liquidity Opinion in its entirety. The Liquidity Opinion is not a recommendation as to whether or not Shareholders should tender or refrain from tendering any or all of such Shareholder's Shares pursuant to the Offer.

Based on publicly available information, as of May 10, 2022, Nemesia S.à.r.l. (the "**Significant Shareholder**"), beneficially owned, directly or indirectly, or exercised control or direction over, 40,697,533 Shares, representing approximately 26.96% of the issued and outstanding Shares. The Significant Shareholder is a private company ultimately controlled by a trust settled by the late Adolf H. Lundin. **The Significant Shareholder has informed the Corporation that it does not intend to participate in the Offer and, as a consequence, assuming it does not otherwise dispose of any of its Shares, its proportionate equity ownership interest in IPC will increase immediately following completion of the Offer, if any Shares are acquired by IPC under the Offer. The Significant Shareholder may, in its sole discretion, change its intention after the date hereof.** See Section 10 of the Circular, "*Commitments to Acquire Shares*" and Section 13 of the Circular, "*Intention to Deposit Shares*".

IPC's Board of Directors has approved the Offer. However, none of IPC, its Board of Directors, BMO Capital Markets, in its capacities as financial advisor and Canadian Dealer Manager, Computershare Investor Services Inc., in its capacity as the Canadian depository for the Offer (the "**Canadian Depository**"), Pareto Securities AB, in its capacity as the Swedish manager for the Offer (the "**Swedish Manager**") or Aktieinvest FK AB, in its capacity as the Swedish issuing agent for the Offer (the "**Swedish Issuing Agent**"), makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares pursuant to the Offer. Shareholders are urged to evaluate carefully all information in the Offer, consult their own financial, legal, investment, tax and other professional advisors and make their own decisions as to whether to deposit Shares pursuant to the Offer, and, if so, how many Shares to deposit and whether to specify a price and, if so, at what price to deposit such Shares. See Section 3 of the Circular, "*Purpose and Effect of the Offer*". Shareholders must make their own decisions as to whether to deposit Shares pursuant to the Offer and, if they do choose to deposit Shares pursuant to the Offer, they must make their own decisions as to the particulars of such deposit.

Shareholders wishing to deposit all or any portion of their Shares pursuant to the Offer must comply in all respects with the delivery procedures described herein. See Section 5 of the Offer to Purchase, "*Procedure for Depositing Shares – Non-Euroclear Shareholders*" and Section 6 of the Offer to Purchase, "*Procedure for Depositing Shares – Euroclear Shareholders*".

**Shareholders should carefully consider the applicable tax consequences of depositing Shares pursuant to the Offer. See Section 14 of the Circular, "*Tax Considerations*".**

**NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF IPC AS TO WHETHER YOU SHOULD DEPOSIT OR REFRAIN FROM DEPOSITING SHARES PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFER OTHER THAN AS SET FORTH IN THE OFFER TO PURCHASE AND CIRCULAR. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY IPC.**

**No Canadian, Swedish or other foreign securities regulatory authority has approved or disapproved of the Offer or passed upon the merits or fairness of the Offer or passed upon the adequacy or accuracy of the information contained in the Offer. Any representation to the contrary is an offense.**

Shareholders in Sweden and other jurisdictions outside of Canada are advised that the Offer is made by a Canadian issuer for its own securities, and while the Offer is subject to Canadian disclosure requirements, investors should be aware that these requirements may be different from those of Sweden and other jurisdictions. Financial statements of IPC have been prepared in accordance with International Financial Reporting Standards, and are subject to Canadian auditing and auditor independence standards and thus may not be comparable to financial statements of Swedish companies and companies in other jurisdictions. The enforcement by investors of civil liabilities under Swedish securities laws may be affected adversely by the fact that IPC is located in Canada, and that some of its officers and directors named in the Offer are not residents of Sweden.

Euroclear Shareholders should direct any questions or requests for information regarding the Offer to the Swedish Issuing Agent or the Swedish Manager. Non-Euroclear Shareholders should direct any such questions or requests for information to the Canadian Depositary or the Canadian Dealer Manager. The addresses and telephone numbers of the Swedish Issuing Agent, the Swedish Manager, the Canadian Depositary and the Canadian Dealer Manager are set forth below.

The audited consolidated financial statements of IPC as at and for the year ended December 31, 2021 and the unaudited consolidated financial statements of IPC as at and for the three months ended March 31, 2022 are available under IPC's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may obtain copies of these financial statements, without charge, upon request to IPC, Attention: Corporate Secretary, Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8. Such documents are also available on our website at [www.international-petroleum.com](http://www.international-petroleum.com).

Unless extended or withdrawn by the Corporation, the Offer will expire at: (i) 5:00 p.m. (Central European Time) on June 20, 2022 for Euroclear Shareholders; and (ii) 5:00 p.m. (Eastern Standard Time) on June 28, 2022 for Non-Euroclear Shareholders.

***The Canadian Dealer Manager for the Offer is:***

BMO Nesbitt Burns Inc.  
  
First Canadian Place  
100 King St. W.  
Toronto, Ontario M5X 1H3  
Email: [IPC.SIB@bmo.com](mailto:IPC.SIB@bmo.com)

***The Swedish Manager for the Offer is:***

Pareto Securities AB  
  
Box 7415, Berzelii Park 9  
SE-103 91 Stockholm  
Telephone: +46 8 402 51 40  
Email: [issueservice.se@paretosec.com](mailto:issueservice.se@paretosec.com)

***The Canadian Depositary for the Offer is:***

Computershare Investor Services Inc.  
  
100 University Ave, 8th Floor  
Toronto, Ontario M5J 2Y1  
Telephone: 1-800-564-6253  
Outside North America: 1-514-982-7555  
Email: [corporateactions@computershare.com](mailto:corporateactions@computershare.com)

***The Swedish Issuing Agent for the Offer is:***

Aktieinvest FK AB  
  
Box 7415, Berzelii Park 9  
SE-103 91 Stockholm  
Telephone: +46 8 506 517 95  
Email: [emittentservice@aktieinvest.se](mailto:emittentservice@aktieinvest.se)

## FORWARD-LOOKING STATEMENTS

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

The Covid-19 virus and the restrictions and disruptions related to it have had a material effect on the world demand for, and prices of, oil and gas as well as the market price of the shares of oil and gas companies generally. Although demand, commodity prices and share prices have recovered, there can be no assurance that these adverse effects will not resume or that commodity prices will not decrease or remain volatile in the future. These factors are beyond the control of the Corporation and it is difficult to assess how these, and other factors, will continue to affect the Corporation and the market price of the Shares. In light of the current situation, as at the date hereof, the Corporation continues to review and assess its business plans and assumptions regarding the business environment, as well as its estimates of future production, cash flows, operating costs and capital expenditures.

All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, forecasts, guidance, budgets, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "forecast", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "budget" and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements include, but are not limited to, statements with respect to:

- the timing, completion and announcement of the results of the Offer;
- the Corporation continuing to have sufficient financial resources and working capital to conduct its ongoing business and operations and to pursue its foreseeable or planned business, future strategic direction and capital allocation priorities;
- the market for the Shares after completion of the Offer not being materially less liquid than the market that exists at the time of the making of the Offer;
- potential future purchases of additional Shares by the Corporation following the expiry of the Offer;
- the Corporation's status as a reporting issuer and the continued listing of the Shares on the TSX and Nasdaq Stockholm;
- the purchase of the Shares under the Offer being in the best interests of the Corporation and an appropriate use of financial resources;
- the intentions of the Corporation's officers and directors to participate in the Offer;
- the intentions of certain Shareholders, including the Significant Shareholder, regarding the Offer;
- the estimated costs and expenses the Corporation will incur in connection with the Offer; and

- the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of IPC and its subsidiaries, including those set forth in IPC's 2022 capital allocation plans, as announced on February 8, 2022.

The forward-looking statements are based on certain key expectations and assumptions made by IPC, including expectations and assumptions concerning:

- the level of Shareholder participation in the Offer;
- the conditions to the Offer being satisfied or waived in a timely manner;
- prevailing commodity prices and currency exchange rates;
- applicable royalty rates and tax laws;
- interest rates;
- future well production rates and reserve and contingent resource volumes;
- operating costs;
- the timing of receipt of regulatory approvals;
- the performance of existing wells;
- the success obtained in drilling new wells;
- anticipated timing and results of capital expenditures;
- the sufficiency of budgeted capital expenditures in carrying out planned activities;
- the timing, location and extent of future drilling operations;
- the successful completion of acquisitions and dispositions;
- the benefits of acquisitions;
- the state of the political environment, economy and the exploration and production business in the jurisdictions in which IPC operates and globally;
- the availability and cost of financing, labour and services; and
- the ability to market crude oil, natural gas and natural gas liquids successfully.

Although IPC believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because IPC can give no assurances that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks.

These include, but are not limited to:

- Shareholders may not participate in the Offer to the extent anticipated by the Corporation, or at all;

- the conditions to the Offer may not be satisfied or waived in a timely manner, or at all;
- the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production;
- delays or changes in plans with respect to exploration or development projects or capital expenditures;
- the uncertainty of estimates and projections relating to reserves, resources, production, revenues, costs and expenses;
- health, safety and environmental risks;
- commodity price fluctuations;
- interest rate and exchange rate fluctuations;
- marketing and transportation;
- loss of markets;
- environmental and climate-related risks;
- competition;
- incorrect assessment of the value of acquisitions;
- failure to complete or realize the anticipated benefits of acquisitions or dispositions;
- the ability to access sufficient capital from internal and external sources;
- failure to obtain required regulatory and other approvals; and
- changes in legislation, including but not limited to tax laws, royalties and environmental and abandonment regulations.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect IPC, or its operations or financial results, are included in IPC's annual information form for the year ended December 31, 2021 under the heading "Risk Factors", in IPC's management's discussion and analysis for the three months ended March 31, 2022 under the heading "Risk and Uncertainties", in IPC's management's discussion and analysis for the year ended December 31, 2021 under the heading "Risk and Uncertainties" and in the other reports on file with applicable securities regulatory authorities, including previous financial reports, management's discussion and analysis and annual information forms, which may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) or IPC's website ([www.international-petroleum.com](http://www.international-petroleum.com)).

### **INFORMATION FOR EUROCLEAR SHAREHOLDERS**

The Offer is not being made to persons whose participation in the Offer: (i) requires additional disclosure of information or registration or other measures in addition to those required under Swedish and Canadian law; or (ii) would result in a breach of applicable law or regulation. It is the duty of each person to observe restrictions resulting from foreign laws. This document and any other documentation relating to the Offer are not being distributed and must not be mailed or otherwise distributed or sent in, or into, any country in which distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

This document is not a prospectus or an offer document (Sw. *erbjudandehandling*) in accordance with Swedish takeover rules and regulations. The Offer described in this document does not constitute a take-over offer. This was confirmed by the Swedish Securities Council (AMN 2017:11), according to which the Offer described in this document is to be considered a repurchase offer solely for purposes of Swedish rules and regulations and does not constitute a take-over offer.

No version of this document has been registered with the Swedish Financial Supervisory Authority or any other regulatory authority and there are no guarantees that the factual information in this document is correct or complete.

Euroclear Shareholders should direct any questions or requests for information regarding the Offer to the Swedish Issuing Agent or the Swedish Manager. The addresses and telephone numbers of the Swedish Issuing Agent and the Swedish Manager are set forth earlier in this document.

### **INFORMATION FOR UNITED STATES SHAREHOLDERS**

The Offer is being made by IPC, a British Columbia corporation, for its own securities, and while the Offer to Purchase and the Circular are subject to the disclosure and other requirements of certain provinces of Canada, Shareholders in the United States should be aware that these requirements are different from those of the United States. Neither the Shares nor any other class of equity securities of IPC have been registered under Section 12 of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor are the Shares or any other class of equity securities of IPC subject to a reporting obligation under section 15(d) of the U.S. Exchange Act. As a result, the Offer is not subject to the requirements of Rule 13e-4 under the U.S. Exchange Act, but is being conducted in compliance with the requirements of Regulation 14E under the U.S. Exchange Act, to the extent applicable. Shareholders should also be aware that Rule 14e-4 under the U.S. Exchange Act generally prohibits tendering securities in a partial tender offer, such as this Offer, in an amount exceeding the holder's net long position in those securities and are advised to obtain further advice regarding the application of Rule 14e-4 before tendering any Shares to the Offer if they hold a short position in the Shares.

Financial statements referenced in the Offer to Purchase and the Circular have been prepared in accordance with International Financial Reporting Standards and are subject to Canadian auditing and auditor independence standards, and thus are not comparable in all respects to financial statements of U.S. domestic companies.

It may be difficult for Shareholders in the United States to enforce their rights and any claim they may have arising under United States federal or state securities laws, as IPC is incorporated outside of the United States and its principal offices are located outside of the United States, all of its officers and directors are residents of countries other than the United States and all or a majority of the assets of IPC and such persons are located outside of the United States. As a result, it may be difficult or impossible for Shareholders in the United States to effect service of process within the United States upon IPC or its officers or directors, 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 of the United States. In addition, Shareholders in the United States should not assume that the courts of Canada: (i) 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 (ii) 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.

Shareholders in the United States should be aware that acceptance of the Offer will have certain tax consequences under U.S. tax laws. Such consequences are not described in the Circular and Shareholders in the United States should consult their tax advisors with respect to those U.S. tax consequences. See Section 14 of the Circular, "*Tax Considerations*".

Neither the United States Securities and Exchange Commission, nor any U.S. state, Canadian provincial, territorial or foreign securities regulatory authority, has approved or disapproved of this transaction or passed upon the merits or fairness of such transaction or passed upon the accuracy or adequacy of the information contained in the Offer to Purchase. Any representation to the contrary is a criminal offense.

#### CURRENCY

All references in the Offer to Purchase and the Circular to: (i) "CDN\$" are to Canadian dollars; (ii) "SEK" are to Swedish Krona; and (iii) "US\$" are to United States Dollars.

**The Purchase Price will be denominated in Canadian dollars and the Corporation's obligation to make payment of amounts owing to a depositing Shareholder whose Shares are taken up will be made in Canadian dollars; provided, however, that Euroclear Shareholders will receive a corresponding amount in Swedish Krona to the Purchase Price, subject to applicable withholding taxes. The risk of any fluctuations between Canadian dollars and Swedish Krona, including risks relating to the particular date and time at which funds are converted, will be solely borne by tendering Euroclear Shareholders.** To the extent that any amounts in the Offer to Purchase and the Circular have been converted from Canadian dollars into Swedish Krona and/or United States Dollars, such conversions: (i) are for illustrative purposes only; (ii) in the case of any conversion from Canadian dollars into Swedish Krona, is based on the Bank of Canada average exchange rate for Swedish Krona on May 10, 2022 of SEK 1.00 to CDN\$0.1294; and (iii) in the case of any conversion from Canadian dollars into United States dollars, is based on the Bank of Canada average exchange rate for United States dollars on May 10, 2022 of US\$1.00 to CDN\$1.3012.

#### INTERPRETATION

Unless the context otherwise requires, all references in the Offer to Purchase and the Circular to "we", "us", "IPC" or the "Corporation" refer solely to International Petroleum Corporation.

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## GLOSSARY

In this document, unless the subject matter or context is inconsistent therewith, the following terms have the following meanings:

**"Aggregate Tender Purchase Amount"** means the aggregate purchase price for Shares validly tendered, and not withdrawn, pursuant to Auction Tenders (at prices at or below the Purchase Price) and Purchase Price Tenders.

**"Auction Tender"** means a tender delivered by Shareholders wishing to tender to the Offer in which the tendering Shareholders specify the number of Shares being tendered at a price per Share of not less than CDN\$12.00 (equivalent to approximately SEK 92.74) and not more than CDN\$14.00 (equivalent to approximately SEK 108.19) and in increments of CDN\$0.20 (equivalent to approximately SEK 1.55) within that range.

**"BMO Capital Markets"** means BMO Nesbitt Burns Inc.

**"Board of Directors"** means the Board of Directors of IPC.

**"Book-Entry Confirmation"** means a confirmation of a book-entry transfer of Shares into the Canadian Depository's account established at CDS in accordance with the terms of the Offer.

**"Business Day"** means any day, other than: (i) a Saturday; (ii) a Sunday; (iii) a statutory holiday in Vancouver, British Columbia, Calgary, Alberta, or Stockholm, Sweden; or (iv) a day on which the principal trading market for the Shares is not open for trading.

**"Canadian Dealer Manager"** means BMO Capital Markets.

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

**"Canadian Resident Shareholder"** means a Shareholder who, for the purposes of the Tax Act and at all relevant times: (i) is, or is deemed to be, a resident of Canada; (ii) deals at arm's length with, and is not affiliated with, IPC; (iii) holds its Shares as capital property; and (iv) is not exempt from tax under Part I of the Tax Act.

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

**"CDS Participant"** means a participant in CDSX.

**"CDSX"** means the book-entry system administered by CDS.

**"Circular"** means the accompanying issuer bid circular.

**"CRA"** means the Canada Revenue Agency.

**"Depositaries"** means, together, the Canadian Depository and the Swedish Issuing Agent and **"Depository"** means either one of them.

**"Deposited Shares"** means Shares validly deposited pursuant to the Offer and not withdrawn.

**"DTC"** means The Depository Trust Company.

**"Eligible Institution"** means a Canadian Schedule I chartered bank, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP).

**"Euroclear Expiration Date"** means 5:00 p.m. (Central European Time) on June 20, 2022 or such later time and date to which we may extend the Euroclear Expiration Date.

**"Euroclear Shareholders"** means Shareholders who hold Shares directly or indirectly through Euroclear Sweden.

**"Euroclear Sweden"** means the Swedish central securities depository system maintained by Euroclear Sweden AB.

**"Euroclear Sweden Tender Form"** means the tender form for Euroclear Shareholders forwarded with the Offer to Purchase and Circular.

**"IPC"**, the **"Corporation"** **"we"** or **"us"** means International Petroleum Corporation.

**"Letter of Transmittal"** means the letter of transmittal for Non-Euroclear Shareholders in the form forwarded with the Offer to Purchase and Circular.

**"Liquidity Opinion"** means the liquidity opinion prepared by BMO Capital Markets and attached as Schedule "A" hereto.

**"MI 61-101"** means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as amended.

**"Nasdaq Stockholm"** means the regulated market run by Nasdaq in Sweden.

**"Non-Canadian Resident Shareholder"** means a Shareholder who, for purposes of the Tax Act and at all relevant times: (i) is not resident or deemed to be resident in Canada; (ii) does not use or hold, and is not deemed to use or hold, its Shares in connection with carrying on a business in Canada; (iii) deals at arm's length with, and is not affiliated with, IPC; and (iv) is not an insurer that carries on an insurance business in Canada and elsewhere.

**"Non-Euroclear Expiration Date"** means 5:00 p.m. (Eastern Standard Time) on June 28, 2022 or such later time and date to which we may extend the Non-Euroclear Expiration Date.

**"Non-Euroclear Shareholders"** means Shareholders other than Euroclear Shareholders.

**"Notice of Guaranteed Delivery"** means the notice of guaranteed delivery for Non-Euroclear Shareholders in the form forwarded with the Offer to Purchase and Circular.

**"Offer"** means the offer made to Shareholders to purchase that number of Shares having an aggregate purchase price not exceeding the Tender Limit Amount, the terms and conditions of which are set forth in the Offer to Purchase, the Circular, the Letter of Transmittal, the Notice of Guaranteed Delivery and the Euroclear Sweden Tender Form.

**"Offer to Purchase"** means the offer to purchase.

**"person"** means and includes any individual, sole proprietorship, partnership, joint venture, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative and any governmental authority or any agency or instrumentality thereof.

**"Purchase Price"** means the price per Share (being not more than CDN\$14.00 per Share (equivalent to approximately SEK 108.19 per Share) and not less than CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share)) that we will pay for Deposited Shares, determined in accordance with the process described in Section 2 of the Offer to Purchase, *"Purchase Price"*.

**"Purchase Price Tender"** means a tender where tendering Shareholders do not specify a price per Share, but instead agree to have a specified number of Shares purchased at the Purchase Price as determined pursuant to the Offer, it being understood that, for the purpose of determining the Purchase Price, Shares that are the subject of Purchase Price Tenders will be deemed to have been tendered at the minimum price of CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share).

**"SEDAR"** means the Canadian System for Electronic Document Analysis and Retrieval.

**"Shareholder"** means the registered or beneficial holder of outstanding Shares, as the context requires.

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

**"Swedish Issuing Agent"** means Aktieinvest FK AB.

**"Swedish Manager"** means Pareto Securities AB.

**"Swedish Resident Shareholder"** means a Shareholder who holds Shares directly (or indirectly) and who per the definition as described in the Swedish Income Tax Act (*Sw. inkomstskattelagen*) is regarded as fully liable to tax in Sweden.

**"Tax Act"** means the *Income Tax Act* (Canada), as amended.

**"Tax Proposals"** means all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof.

**"Tender Limit Amount"** means an amount equal to CDN\$128,000,000 (equivalent to approximately SEK 989 million or US\$98.4 million).

**"TSX"** means the Toronto Stock Exchange.

## SUMMARY

This summary is solely for the convenience of Shareholders and is qualified in its entirety by reference to the full text of, and more specific details in, the Offer to Purchase and the accompanying Circular. This summary highlights material information relating to the Offer, but it is not meant to be a substitute for the information contained in the Offer to Purchase, the Circular, the Letter of Transmittal, the Notice of Guaranteed Delivery and the Euroclear Sweden Tender Form. Therefore, we urge all Shareholders to carefully read the Offer to Purchase and the Circular in their entirety prior to making any decision regarding whether or not to deposit Shares held or the price or prices at which a Shareholder may choose to deposit Shares pursuant to the Offer. In addition, we urge: (i) all registered Non-Euroclear Shareholders to carefully read the Letter of Transmittal and the Notice of Guaranteed Delivery; and (ii) all Euroclear Shareholders to carefully read the Euroclear Sweden Tender Form, in each case, prior to making any such decision. We have included cross-references in this summary to the sections of the Offer to Purchase and the Circular where a Shareholder will find further discussion of the topics mentioned in this summary. Unless otherwise defined in this summary, capitalized terms have the respective meanings assigned to them under the heading "*Glossary*" above.

### **Who is offering to purchase my Shares?**

IPC is offering to purchase your Shares for cancellation.

### **Why is IPC making the Offer?**

The Corporation believes that the historical and current trading prices of the Shares are not fully reflective of the value of the Corporation's business, assets and future prospects. Therefore, the Corporation believes that the purchase of Shares pursuant to the Offer represents an efficient means of providing value to Shareholders and an appropriate use of the Corporation's available cash on hand, consistent with IPC's future strategic direction, Share Repurchase Program (as defined below) and capital allocation plans, as announced on February 8, 2022. The Offer allows the Corporation an opportunity to return up to CDN\$128 million (equivalent to approximately SEK 989 million or US\$98.4 million) of capital to Shareholders who elect to tender, while at the same time increasing the proportionate Share ownership of Shareholders who elect not to tender. See Section 3 of the Circular, "*Purpose and Effect of the Offer*".

### **What will the Purchase Price for the Shares be and what will be the form of payment?**

We are conducting the Offer through a "modified Dutch Auction" procedure. This procedure allows Shareholders making Auction Tenders to select a price of not more than CDN\$14.00 per Share (equivalent to approximately SEK 108.19 per Share) and not less than CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share) (in increments of CDN\$0.20 (equivalent to approximately SEK 1.55)) at which they are willing to deposit all or part of their Shares.

As promptly as practicable after the Non-Euroclear Expiration Date, we will, pursuant to the terms and subject to the conditions of the Offer, determine the Purchase Price that we will pay for Shares validly deposited pursuant to the Offer and not withdrawn.

The Purchase Price will be determined in the manner described herein, but will not be less than CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share), nor will it be more than CDN\$14.00 per Share (equivalent to approximately SEK 108.19 per Share), taking into account the auction prices and the number of Shares deposited pursuant to Auction Tenders and Purchase Price Tenders (with Shares that are the subject of Purchase Price Tenders being considered, for the purpose of determining the Purchase Price, as having been tendered at the minimum price of CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share)). The Purchase Price will be the lowest price per Share that will enable us to purchase the maximum number of Deposited Shares having an aggregate purchase price not exceeding the Tender Limit Amount. Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares, will be deemed to have made a Purchase Price Tender.

All Shares purchased by the Corporation pursuant to the Offer (including Shares tendered at auction prices below the Purchase Price) will be purchased at the same Purchase Price.

**The Purchase Price will be denominated in Canadian dollars and the Corporation's obligation to make payment of amounts owing to a depositing Shareholder whose Shares are taken up will be made in Canadian dollars; provided, however, that Euroclear Shareholders will receive a corresponding amount in Swedish Krona to the Purchase Price, subject to applicable withholding taxes. The risk of any fluctuations between Canadian dollars and Swedish Krona, including risks relating to the particular date and time at which funds are converted, will be solely borne by tendering Euroclear Shareholders.**

We will publicly announce the Purchase Price as promptly as practicable following the Non-Euroclear Expiration Date and, upon the terms and subject to the conditions of the Offer (including the proration provisions), we will pay the Purchase Price in cash to all Shareholders who have validly deposited (and have not withdrawn) their Shares pursuant to Auction Tenders at prices equal to or less than the Purchase Price or pursuant to Purchase Price Tenders.

All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares (rounding down to the nearest whole number of Shares). All payments to Shareholders will be subject to deduction of applicable withholding taxes. Under no circumstances will we pay interest on the Purchase Price, even if there is a delay in making payment.

See Section 2 of the Offer to Purchase, "*Purchase Price*", for additional details, including the formula that we will use to calculate the Purchase Price.

#### **How many Shares will IPC purchase?**

We will purchase, at the Purchase Price, Shares validly deposited pursuant to the Offer and not withdrawn up to a maximum aggregate purchase price of CDN\$128,000,000 (equivalent to approximately SEK 989 million or US\$98.4 million). Since the Purchase Price will only be determined after the Non-Euroclear Expiration Date, the number of Shares that will be purchased will not be known until after that time.

If the Aggregate Tender Purchase Amount is less than the Tender Limit Amount, we will repurchase a total number of Shares having an aggregate purchase price equal to the Aggregate Tender Purchase Amount. If the Aggregate Tender Purchase Amount is greater than or equal to the Tender Limit Amount, we will repurchase a total number of Shares having an aggregate purchase price equal to the Tender Limit Amount, being CDN\$128,000,000 (equivalent to approximately SEK 989 million or US\$98.4 million).

If the Purchase Price is determined to be CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share) (which is the minimum price per Share pursuant to the Offer), the maximum number of Shares that may be purchased by the Corporation under the Offer is 10,666,666 Shares. Assuming that the Offer is fully subscribed, if the Purchase Price is determined to be CDN\$14.00 per Share (equivalent to approximately SEK 108.19 per Share) (which is the maximum price per Share pursuant to the Offer), the maximum number of Shares that may be purchased by the Corporation under the Offer is 9,142,857 Shares.

As of May 10, 2022, 150,966,013 Shares were issued and outstanding and, accordingly, the Offer will be for approximately 7.1% of the total number of issued and outstanding Shares if the Purchase Price is determined to be CDN\$12.00 (equivalent to approximately SEK 92.74) (which is the minimum price per Share pursuant to the Offer) or approximately 6.1% of the total number of issued and outstanding Shares if the Purchase Price is determined to be CDN\$14.00 (equivalent to approximately SEK 108.19) (which is the maximum price per Share pursuant to the Offer).

See Section 3 of the Offer to Purchase, "*Number of Shares, Proration*".

**What happens if the number of Shares deposited pursuant to the Offer would result in an aggregate purchase price of more than CDN\$128 million (equivalent to approximately SEK 989 million or US\$98.4 million)?**

If the Offer would result in an aggregate purchase price of more than CDN\$128,000,000 (equivalent to approximately SEK 989 million or US\$98.4 million), we will purchase a pro rated portion of the Shares so tendered pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders.

See Section 3 of the Offer to Purchase, "*Number of Shares, Proration*", for additional details, including the formula that we will use to determine proration. If no Auction Tenders or Purchase Price Tenders are made pursuant to the Offer, we will not purchase any Shares pursuant to the Offer.

**Can a Shareholder deposit Shares at different prices?**

Yes. Shareholders making an Auction Tender can elect to deposit some of their Shares pursuant to the Offer at one price and other Shares at one or more different prices. Shareholders may also deposit some of their Shares pursuant to an Auction Tender and deposit additional Shares pursuant to a Purchase Price Tender. Shareholders may not deposit the same Shares pursuant to more than one method of tender or pursuant to an Auction Tender at more than one price. If a Shareholder desires to deposit Shares in separate lots at a different price for each lot, that Shareholder must complete a separate Letter of Transmittal (and, if applicable, a Notice of Guaranteed Delivery) or a Euroclear Sweden Tender Form, as applicable, for each price at which that Shareholder is depositing Shares. See Section 5 of the Offer to Purchase, "*Procedure for Depositing Shares – Non-Euroclear Shareholders*" and Section 6 of the Offer to Purchase, "*Procedure for Depositing Shares – Euroclear Shareholders*".

**Can I tender only a portion of the Shares that I own?**

Yes, if you decide to tender Shares in an Auction Tender or Purchase Price Tender, you do not have to tender all of the Shares you own to participate in the Offer. You may not tender more Shares than you own in the Offer.

See Section 5 of the Offer to Purchase, "*Procedure for Depositing Shares – Non-Euroclear Shareholders*" and Section 6 of the Offer to Purchase, "*Procedure for Depositing Shares – Euroclear Shareholders*".

**How do Shareholders deposit their Shares?**

Non-Euroclear Shareholders must complete one of the following steps in order to deposit their Shares pursuant to the Offer:

- *Non-registered Non-Euroclear Shareholder:* Tender by following the procedures for book-entry transfer, provided that a Book-Entry Confirmation through the CDSX system (in the case of Shares held in CDS) or DTC's ATOP system (in the case of Shares held at DTC) is received by the Canadian Depositary at its office in Toronto, Ontario prior to 5:00 p.m. (Eastern Standard Time) on June 28, 2022 (or such later time and date to which the Offer may be extended).
- *Registered Non-Euroclear Shareholder:* Deliver a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) with any required signatures guaranteed by an Eligible Institution, and any other documents required by the Letter of Transmittal, to the Canadian Depositary at the address set forth on the Letter of Transmittal, prior to 5:00 p.m. (Eastern Standard Time) on June 28, 2022 (or such later time and date to which the Offer may be extended). A Shareholder who holds share certificates must deliver the certificates representing all Shares validly deposited pursuant to the Offer, in proper form for transfer, together with its Letter of Transmittal. Please note that, if your Shares are represented by a direct registration statement ("**DRS**") advice, the DRS advice does not need to be submitted but the Letter of Transmittal must still be completed and submitted in order to tender your Shares.

- *Procedure for Guaranteed Delivery:* Follow the guaranteed delivery procedures described under Section 5 of the Offer to Purchase, "*Procedure for Depositing Shares – Non-Euroclear Shareholders*".

Euroclear Shareholders must complete one of the following steps in order to deposit their Shares pursuant to the Offer:

- *Directly registered holdings:* Euroclear Shareholders whose Shares are directly registered with Euroclear Sweden who wish to accept the Offer and deposit their Shares must, during the acceptance period, sign and submit a duly completed Euroclear Sweden Tender Form to the Swedish Issuing Agent. The Euroclear Sweden Tender Form must be submitted or sent by mail in ample time before the Euroclear Expiration Date so that it may be received by the Swedish Issuing Agent no later than 5:00 p.m. (Central European Time) on June 20, 2022. Euroclear Shareholders are advised that Euroclear Sweden Tender Forms which are incomplete or incorrectly completed will be disregarded. The Euroclear Sweden Tender Form can be obtained by contacting the Swedish Issuing Agent.
- *Nominee registered holdings:* Euroclear Shareholders whose Shares are registered in the name of a nominee are requested to contact their nominee in order to receive instructions on how to deposit their Shares.
- *Pledged holdings:* If Shares are pledged in the Euroclear Sweden system, both the Euroclear Shareholder and the pledgee must sign the Euroclear Sweden Tender Form and confirm that the pledge will be released should the Offer be completed. The pledge on the relevant Shares must be de-registered in the Euroclear Sweden system at the time of delivery of the Shares.

All Shareholders (i.e., Euroclear Shareholders and Non-Euroclear Shareholders) who deposit Shares pursuant to an Auction Tender may do so only at a price that is denominated in Canadian dollars and not in any other currency, such as Swedish Krona.

If a Shareholder wishes to deposit Shares pursuant to the Offer and such Shares are registered in the name of an investment dealer, stock broker, bank, trust company or other nominee, the Shareholder should immediately contact such nominee in order to take the necessary steps to be able to deposit such Shares pursuant to the Offer. If an investment dealer, stock broker, bank, trust company or other nominee holds Shares for a Shareholder, it is likely that the nominee has established an earlier deadline by which the Shareholder must instruct the nominee to accept the Offer on its behalf. A Shareholder should immediately contact its investment dealer, stock broker, bank, trust company or other nominee to find out the nominee's deadline.

A Shareholder may deposit Shares under the Offer pursuant to an Auction Tender or a Purchase Price Tender. Shareholders may deposit some of their Shares pursuant to an Auction Tender and deposit additional Shares pursuant to a Purchase Price Tender. Shareholders may not deposit the same Shares pursuant to more than one method of tender or pursuant to an Auction Tender at more than one price. See Section 5 of the Offer to Purchase, "*Procedure for Depositing Shares – Non-Euroclear Shareholders*" and Section 6 of the Offer to Purchase, "*Procedure for Depositing Shares – Euroclear Shareholders*".

- *Auction Tender:* Shareholders making an Auction Tender must specify the minimum price per Share (of not more than CDN\$14.00 per Share (equivalent to approximately SEK 108.19 per Share) and not less than CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share) and in increments of CDN\$0.20 (equivalent to approximately SEK 1.55)) at which they are willing to sell their Shares to us. Shares validly deposited pursuant to an Auction Tender and not withdrawn will only be taken up, in whole or in part, if the price specified in the Auction Tender is equal to or less than the Purchase Price determined by us.
- *Purchase Price Tender:* Shareholders who wish to deposit Shares, but do not want to specify a minimum price at which we may purchase such Shares, may tender their Shares in a Purchase

Price Tender. Shareholders should be aware that Shares tendered in Purchase Price Tenders will be deemed, for the purposes of calculating the Purchase Price, to have been tendered at the minimum price of CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share). Accordingly, such tenders may result in a lower Purchase Price than might otherwise have been determined if the applicable Shares had been tendered pursuant to Auction Tenders.

The minimum price per Share of CDN\$12.00 (equivalent to approximately SEK 92.74) offered in the Offer is less than the closing price of the Shares on the TSX on May 2, 2022 (the last full trading day before the intention to make the Offer was announced) and greater than the closing price of the Shares on the TSX on May 10, 2022 (the last full trading day before the date of the Offer to Purchase and Circular).

Shareholders validly depositing Shares pursuant to Auction Tenders at CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share) (the minimum Purchase Price pursuant to the Offer) and Shareholders validly depositing Shares pursuant to Purchase Price Tenders can reasonably expect to have such Shares purchased at the Purchase Price if any Shares are purchased pursuant to the Offer (subject to provisions relating to rounding to whole Shares and proration).

Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares, will be deemed to have made a Purchase Price Tender.

No alternative, conditional or contingent tenders will be accepted. See Section 2 of the Offer to Purchase, "*Purchase Price*".

#### **How long does a Shareholder have to deposit Shares held?**

Shareholders may deposit their Shares at any time prior to the expiry of the Offer.

If you are a Euroclear Shareholder, the Offer will expire at 5:00 p.m. (Central European Time) on June 20, 2022. If you are a Non-Euroclear Shareholder, the Offer will expire at 5:00 p.m. (Eastern Standard Time) on June 28, 2022. The Corporation retains the right, subject to applicable laws, to extend the Euroclear Expiration Date and the Non-Euroclear Expiration Date to such dates and times as it may determine. If you are in any doubt as to whether you are a Euroclear Shareholder or a Non-Euroclear Shareholder, please contact your investment dealer, stock broker, bank manager, lawyer, accountant or other professional advisor.

If an investment dealer, stock broker, bank, trust company or other nominee holds Shares for a Shareholder, it is likely that the nominee has established an earlier deadline by which the Shareholder must instruct the nominee to accept the Offer on its behalf. A Shareholder should immediately contact its investment dealer, stock broker, bank, trust company or other nominee to find out the nominee's deadline.

#### **Can the Offer be extended, varied or terminated?**

Yes. We may extend or vary the Offer in our sole discretion. See Section 9 of the Offer to Purchase, "*Extension and Variation of the Offer*". We can also terminate the Offer under certain circumstances. See Section 8 of the Offer to Purchase, "*Conditions of the Offer*".

#### **How will a Shareholder be notified if IPC extends the Offer?**

If we extend the Offer, we will issue a press release no later than 5:00 p.m. (Central European Time) on the Business Day prior to the Euroclear Expiration Date. See Section 9 of the Offer to Purchase, "*Extension and Variation of the Offer*".

#### **Do I have to participate in the Offer? What will happen if a Shareholder does nothing?**

The Offer is voluntary and each Shareholder should decide whether or not to participate.

If a Shareholder does not deposit any of its Shares pursuant to the Offer and we purchase Shares pursuant to the Offer, that Shareholder's proportionate equity ownership interest in IPC will increase immediately following completion of the Offer. See Section 3 of the Circular, "*Purpose and Effect of the Offer*".

**Are there any conditions to the Offer?**

Yes. The Offer is subject to a number of conditions customary for Canadian issuers in the circumstances, such as the absence of certain changes in the market price of the Shares or stock market conditions, the absence of any court, governmental or regulatory action prohibiting the Offer and the absence of certain changes in general market conditions or our business that, in our sole judgment, acting reasonably, make it inadvisable to proceed with the Offer. See Section 8 of the Offer to Purchase, "*Conditions of the Offer*".

**Once a Shareholder has deposited Shares pursuant to the Offer, can that Shareholder withdraw those Shares?**

Yes. Subject to compliance with the procedures set forth in the Offer to Purchase, Shareholders may withdraw Shares deposited pursuant to the Offer: (i) at any time before the Shares have been taken up by us; (ii) at any time before the expiration of ten days from the date that a notice of change or variation (unless the Shares deposited pursuant to the Offer have been taken up by us before the date of such notice of change or variation, and other than a variation that: (a) consists solely of an increase in the consideration offered for those Shares pursuant to the Offer where the time for deposit is not extended for greater than ten days; or (b) consists solely of the waiver of a condition of the Offer) has been given in accordance with Section 9 of the Offer to Purchase, "*Extension and Variation of the Offer*"; or (c) if we have not paid for those Shares within three Business Days after they have been taken up. See Section 7 of the Offer to Purchase, "*Withdrawal Rights*".

**How does a Non-Euroclear Shareholder withdraw Shares previously deposited?**

For a withdrawal to be effective, a written notice of withdrawal must be received in a timely manner by the Canadian Depository at the office as set forth in the Letter of Transmittal or Notice of Guaranteed Delivery in respect of the relevant Shares. Any such notice of withdrawal must be signed by, or on behalf of, the person who signed the Letter of Transmittal or Notice of Guaranteed Delivery that accompanied the Shares being withdrawn and must specify the name of the person who deposited the Shares to be withdrawn, the name of the registered holder, if different from that of the person who deposited such Shares, and the number of Shares to be withdrawn. Some additional requirements apply if certificates representing the Shares to be withdrawn have been delivered to the Canadian Depository. The withdrawal will take effect only upon actual receipt by the Canadian Depository of the properly completed and executed written notice. See Section 7 of the Offer to Purchase, "*Withdrawal Rights – Non-Euroclear Shareholders*".

**How does a Euroclear Shareholder withdraw Shares previously deposited?**

For a withdrawal to be effective, a written notice of withdrawal must be received in a timely manner prior to the Euroclear Expiration Date by the Swedish Issuing Agent at the office as set forth in the Euroclear Sweden Tender Form in respect of the relevant Shares. Euroclear Shareholders with nominee-registered Shares wishing to withdraw Shares previously deposited pursuant to the Offer shall do so in accordance with instructions from the nominee.

See Section 7 of the Offer to Purchase, "*Withdrawal Rights – Euroclear Shareholders*".

**What happens to the Shares of a Euroclear Shareholder that are deposited pursuant to the Offer?**

After a duly completed Euroclear Sweden Tender Form has been received and registered, the applicable Shares will be transferred to a newly opened, blocked VP account (a non-cash transfer account) in the owner's name. In connection therewith, Euroclear Sweden will send a statement (a "**VP statement**") showing the withdrawal of Shares from the original VP account. No notice will be delivered indicating the

registration of Shares in the blocked VP account. In conjunction with the forwarding of the aggregate accepted Euroclear Sweden registered Shares by the Swedish Manager to CDS, certain procedures will take place before the blocked VP account is closed. No notices from Euroclear Sweden, the Swedish Manager or the Swedish Issuing Agent of such actions will be delivered. In conjunction with the payment of the Purchase Price, all blocked VP accounts will be closed. No notice will be delivered in this circumstance.

Settlement of the Offer in Euroclear Sweden will be arranged by distribution of contract notes to those Euroclear Shareholders who have accepted the Offer and whose Shares have been acquired by the Corporation. Any Share that has not been acquired by the Corporation will be returned to the VP account where the Shares were originally registered.

The Purchase Price payable to a Euroclear Shareholder, less applicable withholding taxes, will be credited to the deposit account linked to such Euroclear Shareholder's VP account in which the Shares were originally registered. If a Euroclear Shareholder does not have a deposit account linked to its VP account or if the account is defective, a query will be sent to the owner of the account. If a Euroclear Shareholder's Shares are registered in the name of a nominee, the contract note will be sent, and the consideration paid, to the nominee.

No Swedish income tax consequences will arise for Shareholders from the depositing of Shares.

**When will IPC pay for the Shares deposited?**

We will publicly announce the Purchase Price promptly after it has been determined and we will take up Shares to be purchased pursuant to the Offer promptly after the Non-Euroclear Expiration Date. We will pay for such Shares within three Business Days after taking up the Shares. See Section 10 of the Offer to Purchase, "*Taking Up and Payment for Deposited Shares*". In the event that we elect to extend the Offer, we will not take up or pay for any Shares until the expiry of such extension.

**What is the recent trading price of the Shares?**

On May 2, 2022 (the last full trading day before the intention to make the Offer was announced), the closing price of the Shares on the TSX and Nasdaq Stockholm was CDN\$12.28 and SEK 92.65, respectively. The ten-day volume-weighted average price of the Shares on May 2, 2022 on the TSX and Nasdaq Stockholm was CDN\$ 12.37 and SEK 94.44, respectively. On May 10, 2022 (the last full trading day before the date of the Offer to Purchase and Circular), the closing price of the Shares on the TSX and Nasdaq Stockholm was CDN\$11.78 and SEK 91.70, respectively. The ten-day volume-weighted average price of the Shares on May 10, 2022 on the TSX and Nasdaq Stockholm was CDN\$12.24 and SEK 94.78, respectively.

The minimum price per Share of CDN\$12.00 (equivalent to approximately SEK 92.74) offered in the Offer is less than the closing price of the Shares on the TSX on May 2, 2022 (the last full trading day before the intention to make the Offer was announced) and greater than the closing price of the Shares on the TSX on May 10, 2022 (the last full trading day before the date of the Offer to Purchase and Circular).

See Section 5 of the Circular, "*Price Range and Trading Volumes of Shares*".

**Will a Shareholder have to pay brokerage commissions if Shares are deposited?**

Registered Shareholders depositing Shares directly to the Depositories will not incur any brokerage commissions. If Shareholders hold Shares through an investment dealer, stock broker, bank, trust company or other nominee, we urge them to consult their nominees to determine whether they will incur any transaction costs. See Section 5 of the Offer to Purchase, "*Procedure for Depositing Shares – Non-Euroclear Shareholders*" and Section 6 of the Offer to Purchase, "*Procedure for Depositing Shares – Euroclear Shareholders*".

## **What are the Canadian income tax consequences of depositing Shares?**

A Shareholder who sells Shares to IPC under the Offer will be deemed to receive a dividend under the Tax Act equal to the excess of the amount paid by IPC over the "paid-up capital" of the Shares for purposes of the Tax Act, subject to, in the case of a Canadian Resident Shareholder that is a corporation, the rules in subsection 55(2) of the Tax Act described in Section 14 of the Circular, "*Tax Considerations*". Generally, for these purposes, IPC estimates that the paid-up capital per Share as of the date hereof is approximately CDN\$3.00 (and following the Non-Euroclear Expiration Date, IPC will advise Shareholders of any material change to this estimate), and accordingly, all Shareholders who sell Shares under the Offer are expected to realize deemed dividends for purposes of the Tax Act.

The amount of any such deemed dividend received by Euroclear Shareholders will be subject to Canadian withholding tax at a rate of 25%, irrespective of whether any such Shareholder is (i) a resident of Canada; or (ii) a non-resident of Canada and is entitled to the benefits of an applicable income tax treaty or convention.

The amount of any such deemed dividend received by a Non-Euroclear Shareholder who is a non-resident of Canada will be subject to Canadian withholding tax at a rate of 25% or such lower rate as may be substantiated under the terms of an applicable income tax treaty or convention.

A Shareholder who is subject to such Canadian withholding tax and is either (i) a Euroclear Shareholder who is a resident of Canada for purposes of the Tax Act or (ii) a Shareholder (including a Euroclear Shareholder) that is a non-resident of Canada for purposes of the Tax Act that is entitled to a reduced rate of Canadian withholding tax pursuant to an income tax treaty or convention, may apply to the CRA for a refund of any excess Canadian withholding tax deducted from the amount paid by IPC for the Shares and remitted to the CRA by completing and submitting CRA form NR7-R "Application for a Refund of Part XIII Tax Withheld". Additional details are provided in Section 14 of the Circular, "*Tax Considerations*". No assurances can be given that a Shareholder applying for a refund of any excess withholding tax will receive the refund from the CRA. Shareholders should consult with their tax advisors to determine whether they are eligible for a reduced withholding tax rate on deemed dividends received from the Corporation and the process for completing CRA form NR7-R to claim a refund of any excess withholding tax deducted.

**In view of the deemed dividend tax treatment under the Tax Act of a sale of Shares pursuant to the Offer as opposed to the capital gain or capital loss tax treatment that would generally apply to a sale of Shares in the market, Shareholders who wish to sell their Shares should consult their own tax advisors regarding selling their Shares in the market as an alternative to tendering their Shares pursuant to the Offer, in order to receive capital gain (or capital loss) treatment on the disposition of their Shares. The selling price for such market sales may be different from the Purchase Price.**

The deemed dividend tax treatment resulting from the sale of Shares pursuant to the Offer, as well as certain other Canadian federal income tax considerations, are described in general terms in Section 14 of the Circular, "*Tax Considerations*". Shareholders are urged to carefully consider the income tax consequences of depositing Shares pursuant to the Offer and consult with their own tax advisors in this regard.

## **As a Swedish tax resident, will any tax be withheld by IPC on the payment of the Purchase Price?**

According to the rules of the Tax Act, and as discussed above under "What are the Canadian income tax consequences of depositing Shares?", a portion of the payment which is considered a deemed dividend will be subject to withholding tax in Canada. In general, the amount of any deemed dividend paid to a non-resident of Canada is subject to withholding tax at a rate of 25%. Note that in accordance with the *Convention between Canada and Sweden for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income*, the withholding tax on these payments may be reduced to a rate of 15%.

An amount corresponding to a tax at a rate of 25% will be withheld for all Shareholders holding Shares (directly or indirectly) through Euroclear Sweden. As IPC estimates that the paid-up capital per Share as of the date hereof to be approximately CDN\$3.00, the exceeding amount per Share will be considered a deemed dividend value of which withholding tax of 25% will be withheld.

Further, no additional tax will be withheld by any Swedish IPC entity in accordance with the Swedish regulations.

The deemed dividend tax treatment resulting from the sale of Shares pursuant to the Offer, as well as certain other Canadian federal income tax considerations, are described in general terms in Section 14 of the Circular, "Tax Considerations". Shareholders are urged to carefully consider the income tax consequences of depositing Shares pursuant to the Offer and consult with their own tax advisors in this regard.

**Has IPC, its Board of Directors, or any other person involved with the Offer adopted a position with respect to whether Shareholders should tender their Shares pursuant to the Offer?**

None of IPC, its Board of Directors, the Canadian Dealer Manager, the Swedish Manager, the Canadian Depositary or the Swedish Issuing Agent makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares pursuant to the Offer. No person has been authorized to make any such recommendation. Shareholders are urged to evaluate carefully all information in the Offer, consult their own financial, legal, investment, tax and other professional advisors and make their own decisions as to whether to deposit Shares pursuant to the Offer, and, if so, how many Shares to deposit and whether to specify a price and, if so, at what price to deposit such Shares. Shareholders should carefully consider the applicable tax consequences of accepting the Offer.

**Will the Corporation's directors, officers or Significant Shareholder deposit Shares pursuant to the Offer?**

The Significant Shareholder has informed the Corporation that it does not intend to participate in the Offer and, as a consequence, assuming it does not otherwise dispose of any of its Shares, its proportionate equity ownership interest in IPC will increase immediately following completion of the Offer, if IPC acquires any Shares under the Offer.

To our knowledge and to the knowledge of our directors and officers, after reasonable inquiry, none of our directors or officers, no associate or affiliate of our directors or officers, none of our associates or affiliates, none of our other insiders (as defined under applicable securities law) and no person or company acting jointly or in concert with the Corporation, will deposit any of such person's Shares pursuant to the Offer. Those persons listed above who do not deposit their Shares pursuant to the Offer will realize a proportionate increase in their interest in the Corporation to the extent that Shares are purchased by us pursuant to the Offer.

The intentions of the Significant Shareholder and the other persons named above, as described above, may change or, subject to compliance with applicable laws, Shares may be sold on the TSX or Nasdaq Stockholm during the period of the Offer depending on the change in circumstance of such persons. See Section 10 of the Circular, "*Commitments to Acquire Shares*" and Section 13 of the Circular, "*Intention to Deposit Shares*".

**How will IPC pay for the Shares?**

The Corporation expects to fund any purchases of Shares pursuant to the Offer, including related fees and expenses, using the Corporation's available cash on hand. Accordingly, the Offer is not conditional upon the consummation of any financing. See Section 16 of the Circular, "*Source of Funds*".

**Will IPC have sufficient financial resources remaining upon completion of the Offer?**

After giving effect to the Offer, we believe that we will continue to have sufficient financial resources and working capital to conduct our business.

**What impact will the Offer have on the liquidity of the market for the Shares?**

Our Board of Directors has determined that it is reasonable to conclude that, following completion of the Offer, there will be a market for Shareholders who do not deposit Shares pursuant to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. In addition, our Board of Directors has obtained a Liquidity Opinion from BMO Capital Markets. See Section 3 of the Circular, "*Purpose and Effect of the Offer – Liquidity of Market*" and Schedule "A" hereto.

**Who should I contact if I have any questions?**

Euroclear Shareholders should direct any questions or requests for information regarding the Offer to the Swedish Issuing Agent or the Swedish Manager. Non-Euroclear Shareholders should direct any such questions or requests for information to the Canadian Depositary or the Canadian Dealer Manager. The addresses and telephone numbers of the Swedish Issuing Agent, the Swedish Manager, the Canadian Depositary and the Canadian Dealer Manager are set forth earlier in this document. All Shareholders are also encouraged to consult their stock brokers or other professional advisors regarding the Offer.

**NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF IPC AS TO WHETHER YOU SHOULD DEPOSIT OR REFRAIN FROM DEPOSITING SHARES PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFER OTHER THAN AS SET FORTH IN THE OFFER TO PURCHASE AND CIRCULAR. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY IPC.**

## OFFER TO PURCHASE

**To: Holders of Common Shares of International Petroleum Corporation**

### **1. The Offer**

We hereby offer to purchase for cancellation that number of Deposited Shares having an aggregate purchase price not exceeding CDN\$128,000,000 (equivalent to approximately SEK 989 million or US\$98.4 million) pursuant to (a) Auction Tenders at a price per Share of not more than CDN\$14.00 (equivalent to approximately SEK 108.19) and not less than CDN\$12.00 (equivalent to approximately SEK 92.74), and in increments of CDN\$0.20 per Share (equivalent to approximately SEK 1.55 per Share), as specified by such Shareholders; or (b) Purchase Price Tenders, in any case, on the terms and subject to the conditions set forth in this Offer to Purchase, the accompanying Circular, the related Letter of Transmittal, the Notice of Guaranteed Delivery and the Euroclear Sweden Tender Form, as applicable. Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares, will be deemed to have made a Purchase Price Tender at a price per Share of CDN\$12.00 (equivalent to approximately SEK 92.74). The Offer is not being made for any series of the Corporation's preferred shares.

The Offer will commence on May 16, 2022. If you are a Euroclear Shareholder, the Offer will expire at 5:00 p.m. (Central European Time) on June 20, 2022. If you are a Non-Euroclear Shareholder, the Offer will expire at 5:00 p.m. (Eastern Standard Time) on June 28, 2022. The Corporation retains the right, subject to applicable laws, to extend the Euroclear Expiration Date and the Non-Euroclear Expiration Date to such dates and times as it may determine. If you are in any doubt as to whether you are a Euroclear Shareholder or a Non-Euroclear Shareholder, please contact your investment dealer, stock broker, bank manager, lawyer, accountant or other professional advisor.

The Offer is not conditional upon any minimum number of Shares being deposited. The Offer is, however, subject to certain other conditions. See Section 8 of this Offer to Purchase, "*Conditions of the Offer*".

All Shareholders who have validly deposited and not withdrawn their Shares pursuant to Auction Tenders at prices at or below the Purchase Price or pursuant to Purchase Price Tenders will receive the Purchase Price, payable in cash (but subject to applicable withholding taxes, if any), for all Shares purchased, upon the terms and subject to the conditions of the Offer, including the provisions relating to proration. Registered Shareholders who deposit their Shares directly to the Depositories will not incur any brokerage commissions. Shareholders who hold Shares through an investment dealer, stock broker, bank, trust company or other nominee are urged to consult with their nominee to determine whether they will incur any transaction costs. See Section 5 of this Offer to Purchase, "*Procedure for Depositing Shares – Non-Euroclear Shareholders*" and Section 6 of this Offer to Purchase, "*Procedure for Depositing Shares – Euroclear Shareholders*".

All Deposited Shares not purchased, including all Shares deposited pursuant to Auction Tenders at prices in excess of the Purchase Price and Shares not purchased due to proration, will be returned to the depositing Shareholder promptly after the Non-Euroclear Expiration Date or termination of the Offer without expense to the depositing Shareholder.

**None of IPC, its Board of Directors, the Canadian Dealer Manager, the Swedish Manager, the Canadian Depositary or the Swedish Issuing Agent makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares pursuant to the Offer. No person has been authorized to make any such recommendation. Shareholders are urged to evaluate carefully all information in the Offer, consult their own financial, legal, investment, tax and other professional advisors and make their own decisions as to whether to deposit Shares pursuant to the Offer, and, if so, how many Shares to deposit and whether to specify a price and, if so, at what price to deposit such Shares. Shareholders should carefully consider the applicable tax consequences of accepting the Offer. See Section 14 of the Circular, "*Tax Considerations*".**

Unless otherwise defined herein, capitalized terms have the respective meanings assigned to them under the heading "*Glossary*" above. The accompanying Circular, Letter of Transmittal, Notice of Guaranteed Delivery and Euroclear Sweden Tender Form contain important information and should be read carefully by Shareholders, to the extent applicable, before making a decision with respect to the Offer.

## **2. Purchase Price**

As promptly as practicable following the Non-Euroclear Expiration Date, we will determine the Purchase Price, which represents the single price per Share at which we will pay for Deposited Shares, taking into account the number of Shares deposited pursuant to Auction Tenders and Purchase Price Tenders and the prices specified by Shareholders depositing Shares pursuant to Auction Tenders. The Purchase Price will be a multiple of CDN\$0.20 (equivalent to approximately SEK 1.55) that is not less than CDN\$12.00 (equivalent to approximately SEK 92.74), nor more than CDN\$14.00 (equivalent to approximately SEK 108.19). Shares deposited pursuant to Purchase Price Tenders will be deemed to have been deposited at a price of CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share) (which is the minimum price per Share under the Offer) for the purpose of determining the Purchase Price. The Purchase Price will be the lowest price per Share that will enable us to purchase the maximum number of Shares validly deposited pursuant to Auction Tenders and Purchase Price Tenders and not withdrawn having an aggregate purchase price not exceeding the Tender Limit Amount, being an amount equal to CDN\$128,000,000 (equivalent to approximately SEK 989 million or US\$98.4 million). If the Purchase Price is determined to be CDN\$12.00 (equivalent to approximately SEK 92.74) (which is the minimum price per Share pursuant to the Offer), the maximum number of Shares that we may purchase is 10,666,666 Shares. If the Purchase Price is determined to be CDN\$14.00 (equivalent to approximately SEK 108.19) (which is the maximum price per Share pursuant to the Offer), the maximum number of Shares that we may purchase is 9,142,857 Shares. Shares validly deposited pursuant to an Auction Tender will only be taken up if the price specified in the Auction Tender by the depositing Shareholder is equal to or less than the Purchase Price. If no Auction Tenders or Purchase Price Tenders are made pursuant to the Offer, we will not purchase any Shares pursuant to the Offer.

Shareholders should be aware that Shares tendered in Purchase Price Tenders will be deemed, for the purposes of calculating the Purchase Price, to have been tendered at the minimum price of CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share). Accordingly, such tenders may result in a lower Purchase Price than might otherwise have been determined if the applicable Shares had been tendered pursuant to Auction Tenders.

As promptly as practicable after determining the Purchase Price, we will publicly announce the Purchase Price and all Shareholders who have validly deposited and not withdrawn their Shares pursuant to Auction Tenders at prices equal to or less than the Purchase Price or pursuant to Purchase Price Tenders will receive the Purchase Price, payable in cash (but subject to applicable withholding taxes), for all Shares purchased upon the terms and subject to the conditions of the Offer, including the provisions relating to proration. See Section 3 of this Offer to Purchase, "*Number of Shares, Proration*".

Shareholders validly depositing Shares pursuant to Auction Tenders at CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share) (the minimum Purchase Price pursuant to the Offer) and Shareholders validly depositing Shares pursuant to Purchase Price Tenders can reasonably expect to have such Shares purchased at the Purchase Price if any Shares are purchased pursuant to the Offer (subject to provisions relating to rounding to whole Shares and proration).

All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares (rounding down to the nearest whole number of Shares). All payments to Shareholders will be subject to deduction of applicable withholding taxes. See Section 14 of the Circular, "*Tax Considerations*".

No alternative, conditional or contingent tenders will be accepted.

**The Purchase Price will be denominated in Canadian dollars and the Corporation's obligation to make payment of amounts owing to a depositing Shareholder whose Shares are taken up will be made in Canadian dollars; provided, however, that Euroclear Shareholders will receive a corresponding amount in Swedish Krona to the Purchase Price, subject to applicable withholding taxes. The risk of any fluctuations between Canadian dollars and Swedish Krona, including risks relating to the particular date and time at which funds are converted, will be solely borne by tendering Euroclear Shareholders.**

Settlement of the Offer in Euroclear Sweden will be arranged by distribution of contract notes to those Euroclear Shareholders who have accepted the Offer and whose Shares have been acquired by IPC. Any Share that has not been acquired by the Corporation will be returned to the VP account where the Shares were originally registered.

The Purchase Price payable to a Euroclear Shareholder, less applicable withholding taxes, will be credited to the deposit account linked to such Euroclear Shareholder's VP account in which the Shares were originally registered. If a Euroclear Shareholder does not have a deposit account linked to its VP account or if the account is defective, a query will be sent to the owner of the account. If a Euroclear Shareholder's Shares are registered in the name of a nominee, the contract note will be sent, and the Purchase Price paid, to the nominee.

The Purchase Price ultimately paid to Shareholders who (directly or indirectly) hold Shares through Euroclear Sweden will be reduced by an amount equal to the withholding tax of 25% on the deemed dividend which is withheld in accordance with Canadian tax legislation, irrespective of whether any such Shareholder is (i) a resident of Canada; or (ii) a non-resident of Canada and is entitled to the benefits of an applicable income tax treaty or convention.

### **3. Number of Shares, Proration**

We will purchase, upon the terms and subject to the conditions of the Offer, at the Purchase Price, Deposited Shares up to a maximum aggregate purchase price of CDN\$128,000,000 (equivalent to approximately SEK 989 million or US\$98.4 million). Since the Purchase Price will only be determined after the Non-Euroclear Expiration Date, the number of Shares that will be purchased will not be known until after the Non-Euroclear Expiration Date. If the Purchase Price is determined to be CDN\$12.00 per Share (equivalent to approximately SEK 92.74 per Share), the minimum price per Share pursuant to the Offer, the maximum number of Shares that will be purchased pursuant to the Offer is 10,666,666. Assuming that the Offer is fully subscribed, if the Purchase Price is determined to be CDN\$14.00 per Share (equivalent to approximately SEK 108.19 per Share), the maximum price per Share pursuant to the Offer, the maximum number of Shares that will be purchased pursuant to the Offer is 9,142,857.

As of May 10, 2022, 150,966,013 Shares were issued and outstanding. Accordingly, the Offer will be for approximately 7.1% of the total number of issued and outstanding Shares if the Purchase Price is determined to be CDN\$12.00 (equivalent to approximately SEK 92.74) or approximately 6.1% of the total number of issued and outstanding Shares if the Purchase Price is determined to be CDN\$14.00 (equivalent to approximately SEK 108.19).

If the aggregate purchase price for Shares validly tendered, and not withdrawn, pursuant to (i) Auction Tenders (at prices at or below the Purchase Price) and (ii) Purchase Price Tenders ((i) and (ii) together referred to as the Aggregate Tender Purchase Amount) is less than the Tender Limit Amount, we will repurchase, at the Purchase Price, all Shares so tendered pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders. If the Aggregate Tender Purchase Amount is greater than the Tender Limit Amount, we will purchase, at the Purchase Price, on a pro rata basis, that portion of the Shares tendered pursuant to Auction Tenders (at or below the Purchase Price) and Purchase Price Tenders having an aggregate purchase price, based on the Purchase Price, equal to the Tender Limit Amount. The proration percentage for each individual Shareholder within the Auction Tender/Purchase Price Tender pool will be calculated as (i) the number of Shares such Shareholder has tendered pursuant to Auction Tenders (at prices at or below the Purchase Price) and pursuant to Purchase Price Tenders, divided by (ii) the total

number of Shares tendered pursuant to Auction Tenders (at prices at or below the Purchase Price) and Purchase Price Tenders. Shares that are tendered above the Purchase Price will not be taken into account and will therefore be excluded from the proration calculation.

If the Aggregate Tender Purchase Amount is greater than or equal to the Tender Limit Amount, we will repurchase a total number of Shares having an aggregate purchase price equal to the Tender Limit Amount, being CDN\$128,000,000 (equivalent to approximately SEK 989 million or US\$98.4 million). If the Aggregate Tender Purchase Amount is less than the Tender Limit Amount, we will repurchase a total number of Shares having an aggregate purchase price equal to the Aggregate Tender Purchase Amount.

Our determination as to proration will be final and binding on all parties, absent a finding to the contrary by a court of competent jurisdiction.

#### **4. Announcement of Purchase Price, Number of Shares Validly Tendered and Aggregate Purchase Price**

We will publicly announce the Purchase Price, the number of Shares validly tendered to the Offer and the aggregate purchase price as promptly as practicable after the Non-Euroclear Expiration Date.

#### **5. Procedure for Depositing Shares – Non-Euroclear Shareholders**

The procedures set forth below are applicable to Non-Euroclear Shareholders. If you are a Euroclear Shareholder, please refer to the procedures described below in Section 6, "*Procedure for Depositing Shares – Euroclear Shareholders*". If you are in any doubt as to whether you are a Euroclear Shareholder or a Non-Euroclear Shareholder, please contact your investment dealer, stock broker, bank manager, lawyer, accountant or other professional advisor.

##### ***Proper Deposit of Shares***

To deposit Shares pursuant to the Offer: (i) if you are a registered Non-Euroclear Shareholder, a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Shares (with signatures that are guaranteed, if so required in accordance with the Letter of Transmittal), and any other documents required by the Letter of Transmittal, must be received by the Canadian Depository at one of the addresses listed in the Letter of Transmittal by the Non-Euroclear Expiration Date, together with all Deposited Shares in proper form for transfer (satisfied by delivering original share certificates, if such Shares are held in certificated form); (ii) if applicable, the guaranteed delivery procedures described below must be followed; or (iii) if you are a non-registered Non-Euroclear Shareholder, such Shares must be transferred pursuant to the procedures for book-entry transfer described below (and a Book-Entry Confirmation through the CDSX system (in the case of Shares held by CDS) or ATOP system (in the case of Shares held by DTC) must be received by the Canadian Depository in lieu of a Letter of Transmittal).

**A non-registered Shareholder who desires to deposit Shares pursuant to the Offer should immediately contact its investment dealer, stock broker, bank, trust company or other nominee in order to take the necessary steps to be able to deposit such Shares pursuant to the Offer.**

**If an investment dealer, stock broker, bank, trust company or other nominee holds Shares for a Shareholder, it is likely that the nominee has established an earlier deadline by which the Shareholder must instruct the nominee to accept the Offer on its behalf. A Shareholder should immediately contact its investment dealer, stock broker, bank, trust company or other nominee to find out the nominee's deadline.**

**Participants of CDS or DTC should contact CDS or DTC, as applicable, to obtain instructions as to the method of depositing Shares under the terms of the Offer. CDS will be issuing instructions to its participants as to the method of depositing Shares under the terms of the Offer.**

In accordance with Instruction 5 of the Letter of Transmittal, each Shareholder desiring to deposit Shares pursuant to the Offer must indicate: (a) in Box A captioned "Type of Tender" on such Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery, whether such Shares are being deposited pursuant to an Auction Tender or Purchase Price Tender; and (b) in Box B, if an Auction Tender is being made, the price (in increments of CDN\$0.20 per Share (equivalent to approximately SEK 1.55 per Share)) at which such Shares are being deposited.

All Shareholders (i.e., Euroclear Shareholders and Non-Euroclear Shareholders) who deposit Shares pursuant to an Auction Tender may do so only at a price that is denominated in Canadian dollars and not in any other currency, such as Swedish Krona.

Shares deposited pursuant to an Auction Tender will only be taken up if the price specified in the Auction Tender is equal to or less than the Purchase Price.

Shareholders may deposit some of their Shares pursuant to an Auction Tender and deposit additional Shares pursuant to a Purchase Price Tender. Shareholders may not deposit the same Shares pursuant to more than one method of tender or pursuant to an Auction Tender at more than one price. If a Shareholder desires to deposit Shares in separate lots at a different price for each lot, that Shareholder must complete a separate Letter of Transmittal (and, if applicable, a Notice of Guaranteed Delivery) for each price at which that Shareholder is depositing Shares.

Shareholders who tender Shares without making a valid Auction Tender, will be deemed to have made a Purchase Price Tender. If multiple boxes are checked in the same Letter of Transmittal indicating that Shares are being deposited pursuant to an Auction Tender and/or Purchase Price Tender, all Shares identified will be deemed to have been tendered pursuant to a Purchase Price Tender.

### ***Signature Guarantees***

No signature guarantee is required on the Letter of Transmittal if: (a) the Letter of Transmittal is signed by the registered holder of the Shares exactly as the name of the registered holder appears on the certificate or DRS advice representing such Shares and payment and delivery is to be made directly to such registered holder; or (b) Shares are deposited for the account of an Eligible Institution. In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution.

If a certificate representing Shares is registered in the name of a person other than the signatory to the Letter of Transmittal, or if payment is to be made, or certificates representing Shares not purchased or deposited are to be issued, to a person other than the registered holder, the certificate must be endorsed or accompanied by an appropriate share transfer power of attorney, in either case, signed exactly as the name of the registered holder appears on the certificate with the signature on the certificate or share transfer power of attorney guaranteed by an Eligible Institution.

### ***Book-Entry Transfer Procedures***

Any financial institution that is a participant in CDS may make book-entry delivery of the Shares through CDSX, CDS's tendering system pursuant to which book-entry transfers may be effected by causing CDS to transfer such Shares into the Canadian Depository's account in accordance with CDS's procedures for such transfer. Delivery of Shares to the Canadian Depository by means of a book-entry transfer through CDSX will constitute a valid tender pursuant to the Offer.

Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Canadian Depository at its Toronto, Ontario office prior to the Non-Euroclear Expiration Date. Shareholders, through their respective CDS Participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Canadian Depository's account with CDS will be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and, therefore, such instructions received by the Canadian Depository are considered a valid tender in accordance with the terms of the Offer.

**Delivery of documents to CDS and/or DTC does not constitute delivery to the Canadian Depository.**

***Method of Delivery***

The method of delivering any certificates representing Shares and all other required documents is at the option and risk of the depositing Shareholder. If certificates representing Shares are to be sent by mail, registered mail, properly insured, is recommended and it is suggested that the mailing be made sufficiently in advance of the Non-Euroclear Expiration Date to permit delivery to the Canadian Depository on or prior to such date. Delivery of a share certificate representing Shares will only be made upon actual receipt of such share certificate representing Shares by the Canadian Depository.

***Procedure for Guaranteed Delivery***

If a Shareholder wishes to deposit Shares pursuant to an Auction Tender or Purchase Price Tender and: (i) the Shareholder cannot deliver certificates for such Shares prior to the Non-Euroclear Expiration Date in accordance with the Letter of Transmittal; (ii) the book-entry transfer procedures described above cannot be completed prior to the Non-Euroclear Expiration Date; or (iii) time will not permit all required documents to reach the Canadian Depository by the Non-Euroclear Expiration Date, such Shares may nevertheless be deposited if all of the following conditions are met:

- (i) such deposit is made by or through an Eligible Institution;
- (ii) a properly completed and duly executed Notice of Guaranteed Delivery, or a manually executed photocopy thereof, substantially in the form provided by us indicating the type of deposit and, in the case of an Auction Tender, the price at which the Shares are being deposited, is received by the Canadian Depository at its mailing address in Toronto, Ontario as set out in the Notice of Guaranteed Delivery prior to the Non-Euroclear Expiration Date; and
- (iii) all Deposited Shares (including original share certificates, if such Shares are held in certificated form) in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) or, in the case of a book-entry transfer of Shares held in CDS, a Book-Entry Confirmation through the CDSX system, and any other documents required by the Letter of Transmittal, are received by the Toronto, Ontario office of the Canadian Depository, before 5:00 p.m. (Eastern Standard Time) on June 30, 2022 (the second trading day on the TSX after the Non-Euroclear Expiration Date).

The Notice of Guaranteed Delivery may be hand delivered, couriered, mailed or transmitted by email transmission to the Toronto office of the Canadian Depository listed in the Notice of Guaranteed Delivery, and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery.

Notwithstanding any other provision hereof, payment for Shares deposited and accepted for payment pursuant to the Offer will be made only after timely receipt by the Canadian Depository of certificates for such Shares (unless such Shares are represented by a DRS advice, in which case such DRS advice does not need to be submitted to the Canadian Depository), a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Shares with signatures that are guaranteed, if so required, or, in the case of a book-entry transfer of Shares held in CDS, a Book-Entry Confirmation through the CDSX system, and any other documents required by the Letter of Transmittal.

The tender information specified in a Notice of Guaranteed Delivery by a person completing such Notice of Guaranteed Delivery will, in all circumstances, take precedence over the tender information that is specified in the related Letter of Transmittal that is subsequently deposited.

### ***Determination of Validity, Rejection and Notice of Defect***

All questions as to the number of Shares to be accepted, the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any deposit of Shares will be determined by us, in our sole discretion, which determination will be final and binding on all parties absent a finding to the contrary by a court of competent jurisdiction. We reserve the absolute right to reject any deposits of Shares: (i) determined by us not to be in proper form or completed in accordance with the instructions herein and in the Letter of Transmittal; or (ii) where any payment to be made in connection therewith may, in the opinion of our counsel, be unlawful. We also reserve the absolute right to waive any of the conditions of the Offer or any defect or irregularity in the deposit of any particular Shares and our interpretation of the terms of the Offer (including these instructions) will be final and binding on all parties, absent a finding to the contrary by a court of competent jurisdiction. No individual deposit of Shares will be deemed to be properly made until all defects and irregularities have been cured or waived. Unless waived, any defects or irregularities in connection with deposits must be cured within such time as we will determine. We reserve the right to waive a defect or irregularity with respect to one deposit without waiving such defect or irregularity with respect to other deposits. None of IPC, the Canadian Dealer Manager, the Swedish Manager, the Canadian Depositary, the Swedish Issuing Agent nor any other person is or will be obligated to give notice of defects or irregularities in deposits, nor will any of them accept any liability for failure to give any such notice. Our interpretation of the terms and conditions of the Offer (including the Letter of Transmittal, the Notice of Guaranteed Delivery and the Euroclear Sweden Tender Form) will be final and binding, absent a finding to the contrary by a court of competent jurisdiction.

Under no circumstances will interest be paid by us or the Canadian Depositary by reason of any delay in making payment. Without limiting the generality of the foregoing, under no circumstances will interest be paid by us or the Canadian Depositary by reason of any delay in making payment to any person using the guaranteed delivery procedures, including, without limitation, any delay arising because the Shares to be delivered pursuant to the guaranteed delivery procedures are not so delivered to the Canadian Depositary, and therefore payment by the Canadian Depositary on account of such Shares is not made until after the date the payment for the Deposited Shares accepted for payment pursuant to the Offer is to be made by the Corporation.

### ***Lost, Stolen or Destroyed Certificates***

If any certificate which immediately prior to the Non-Euroclear Expiration Date represented an interest in one or more outstanding Shares has been lost, stolen or destroyed, upon satisfying such requirements as may be imposed by IPC and the Canadian Depositary in relation to the issuance of replacement certificates representing Shares, the Canadian Depositary will issue and deliver, in exchange for such lost, stolen or destroyed certificate, the consideration to which the holder is entitled pursuant to the Offer as determined in accordance with the Offer, deliverable in accordance with such holder's Letter of Transmittal. The person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond satisfactory to each of IPC and IPC's transfer agent in such form as is satisfactory to each of them, and shall indemnify IPC and IPC's transfer agent, to the reasonable satisfaction of such parties, against any claim that may be made against either of them with respect to the certificate alleged to have been lost, stolen or destroyed. Alternatively, Shareholders whose certificate(s) representing Shares have been lost, stolen or destroyed may participate in the Canadian Depositary's blanket bond program with Aviva Insurance Company of Canada by completing Box F in the Letter of Transmittal and submitting the applicable certified cheque or money order made payable to Computershare Investor Services Inc.

### ***Formation of Agreement***

The proper deposit of Shares pursuant to any one of the procedures described above will constitute a binding agreement between the depositing Shareholder and us, effective as of the Non-Euroclear Expiration Date, upon the terms and subject to the conditions of the Offer. Such agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## **Further Assurances**

Each Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal to execute, upon our request, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Shares to us. Each authority therein conferred or agreed to be conferred may be exercised during any subsequent legal incapacity of such Shareholder and will, to the extent permitted by law, survive the death or incapacity, bankruptcy or insolvency of the Shareholder and all obligations of the Shareholder therein will be binding upon the heirs, personal representatives, successors and assigns of such Shareholder.

## **6. Procedure for Depositing Shares – Euroclear Shareholders**

The procedures set forth below are applicable to Euroclear Shareholders. If you are a Non-Euroclear Shareholder, please refer to the procedures described above in Section 5, "*Procedure for Depositing Shares – Non-Euroclear Shareholders*". If you are in any doubt as to whether you are a Euroclear Shareholder or a Non-Euroclear Shareholder, please contact your investment dealer, stock broker, bank manager, lawyer, accountant or other professional advisor. There is a Swedish language short form information brochure about the Offer available for Euroclear Shareholders; in order to obtain this document, please contact the Swedish Issuing Agent.

### ***Directly registered holdings***

Euroclear Shareholders whose Shares are directly registered with Euroclear Sweden who wish to tender their Shares and accept the Offer must, before the Euroclear Expiration Date sign and submit a duly completed Euroclear Sweden Tender Form to:

Aktieinvest FK AB  
Issuer Service/IPC  
Box 7415, Berzelii Park 9  
SE-103 91 Stockholm  
Phone: +46 8 506 517 95  
Email: [emittentservice@aktieinvest.se](mailto:emittentservice@aktieinvest.se) (scanned copy)

The Euroclear Sweden Tender Form must be submitted or sent by mail in ample time before the Euroclear Expiration Date so that it may be received by the Swedish Issuing Agent no later than 5:00 p.m. (Central European Time) on June 20, 2022. Euroclear Shareholders are advised that Euroclear Sweden Tender Forms which are incomplete or incorrectly completed will be disregarded. The Euroclear Sweden Tender Form can be obtained by contacting the Swedish Issuing Agent.

### ***Nominee registered holding***

Euroclear Shareholders whose Shares are registered in the name of a nominee are requested to contact their nominee and the acceptance of the Offer must be made in accordance with instructions received by the nominee.

### ***Pledged holdings***

If Shares are pledged in the Euroclear Sweden system, both the Euroclear Shareholder and the pledgee must sign the acceptance form and confirm that the pledge will be released should the Offer be completed. The pledge on the relevant Shares must be de-registered in the Euroclear Sweden system at the time of delivery of the Shares to IPC.

## 7. Withdrawal Rights

Except as otherwise provided in this Offer to Purchase, deposits of Shares pursuant to the Offer will be irrevocable. Subject to compliance with the procedures set forth below, Shareholders may withdraw Shares deposited pursuant to the Offer: (i) at any time before the Shares have been taken up by us; (ii) at any time before the expiration of ten days from the date that a notice of change or variation (unless the Shares deposited pursuant to the Offer have been taken up by us before the date of such notice of change or variation, and other than a variation that: (a) consists solely of an increase in the consideration offered for those Shares pursuant to the Offer where the time for deposit is not extended for greater than ten days; or (b) consists solely of the waiver of a condition of the Offer) has been given in accordance with Section 9 of this Offer to Purchase, "*Extension and Variation of the Offer*"; or (c) if we have not paid for those Shares within three Business Days after they have been taken up.

### ***Non-Euroclear Shareholders***

The procedures set forth below are applicable to Non-Euroclear Shareholders. If you are a Euroclear Shareholder, please refer to the procedures described below under the heading "*Withdrawal Rights – Euroclear Shareholders*".

For a withdrawal to be effective, a written or printed copy of a notice of withdrawal must be actually received by the Canadian Depositary by the applicable date specified above at the place of deposit of the relevant Shares. Any such notice of withdrawal must be signed by or on behalf of the person who signed the Letter of Transmittal or Notice of Guaranteed Delivery in respect of the Shares being withdrawn or, in the case of Shares tendered by a CDS Participant, be signed by such participant in the same manner as the participant's name is listed on the applicable Book-Entry Confirmation through the CDSX system, and must specify the name of the person who deposited the Shares to be withdrawn, the name of the registered holder, if different from that of the person who deposited such Shares, and the number of Shares to be withdrawn. If certificates for the Shares deposited pursuant to the Offer have been delivered or otherwise identified to the Canadian Depositary, then, prior to the release of such certificates, the depositing Shareholder must submit the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Institution, except in the case of Shares deposited by an Eligible Institution. **A withdrawal of Shares deposited pursuant to the Offer may only be accomplished in accordance with the foregoing procedure. The withdrawal will take effect only upon actual receipt by the Canadian Depositary of a written or printed copy of a properly completed and executed notice of withdrawal.**

**A Shareholder who wishes to withdraw Shares pursuant to the Offer and who holds Shares through an investment dealer, stock broker, bank, trust company or other nominee should immediately contact such nominee in order to take the necessary steps to be able to withdraw such Shares pursuant to the Offer. Participants of CDS or DTC should contact these depositaries with respect to the withdrawal of Shares pursuant to the Offer.**

**All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by us, in our sole discretion, which determination will be final and binding. None of IPC, the Canadian Dealer Manager, the Swedish Manager, the Canadian Depositary, the Swedish Issuing Agent nor any other person will be obligated to give any notice of any defects or irregularities in any notice of withdrawal and none of them will incur any liability for failure to give any such notice.**

Any Shares properly withdrawn will thereafter be deemed not deposited for purposes of the Offer. However, withdrawn Shares may be redeposited prior to the Non-Euroclear Expiration Date by again following the procedures described in Section 5 of this Offer to Purchase, "*Procedure for Depositing Shares – Non-Euroclear Shareholders*".

If we extend the period of time during which the Offer is open, are delayed in our purchase of Shares or are unable to purchase Shares pursuant to the Offer for any reason, then, without prejudice to our rights pursuant to the Offer, the Canadian Depositary may, subject to applicable law, retain, on our behalf, all Deposited Shares, and such Shares may not be withdrawn except to the extent that depositing Shareholders are entitled to withdrawal rights as described herein.

## ***Euroclear Shareholders***

The procedures set forth below are applicable to Euroclear Shareholders. If you are a Non-Euroclear Shareholder, please refer to the procedures described above under the heading "*Withdrawal Rights – Non-Euroclear Shareholders*".

Euroclear Shareholders have the right to withdraw their acceptance of the Offer. For a withdrawal to be effective, a written notice of withdrawal must be received in a timely manner prior to the Euroclear Expiration Date by the Swedish Issuing Agent at the office as set forth in the Euroclear Sweden Tender Form in respect of the relevant Shares. **Any withdrawal will take effect only upon actual receipt by the Swedish Issuing Agent of a written or printed copy of a properly completed and executed notice of withdrawal.**

Euroclear Shareholders with nominee-registered Shares wishing to withdraw Shares previously deposited pursuant to the Offer shall do so in accordance with instructions from the nominee.

### **8. Conditions of the Offer**

Notwithstanding any other provision of the Offer, we will not be required to accept for purchase, purchase or pay for any Shares deposited, and may terminate or cancel the Offer or may postpone the payment for Deposited Shares, if, at any time before the payment for any such Shares, any of the following events will have occurred (or will have been determined by us to have occurred) which, in our sole discretion and judgment, in any such case and regardless of the circumstances, makes it inadvisable to proceed with the Offer or with such acceptance for purchase or payment:

- (i) there will have been threatened, taken or pending any action or proceeding by any government or governmental authority or regulatory or administrative agency in any jurisdiction, or by any other person in any jurisdiction, before any court or governmental authority or regulatory or administrative agency in any jurisdiction (a) challenging or seeking to cease trade, make illegal, delay or otherwise directly or indirectly restrain or prohibit the making of the Offer, our acceptance for payment of some or all of the Shares or otherwise directly or indirectly relating in any manner to, or affecting, the Offer, or (b) seeking material damages or that otherwise, in our sole judgment, acting reasonably, has or may have a material adverse effect on our Shares or our business, income, assets, liabilities, condition or position (financial or otherwise), properties, operations, results of operations or prospects or has impaired or may materially impair the contemplated benefits of the Offer to us or otherwise make it inadvisable to proceed with the Offer;
- (ii) there will have been (a) threatened, taken or pending any action or proceeding or approval withheld or (b) any statute, rule, regulation, stay, decree, judgment or order or injunction proposed, sought, enacted, enforced, promulgated, amended, issued or deemed applicable to the Offer or to the Corporation or any of its subsidiaries or assets by or before any court, government or governmental authority or regulatory or administrative agency or any statute, rule or regulation shall become operative or applicable in any jurisdiction that, in our sole judgment, acting reasonably, might directly or indirectly result in any of the consequences referred to in clauses (a) or (b) of paragraph (i) above or would or might prohibit, prevent, restrict or delay consummation of, or would or might impair the contemplated benefits to us of, the Offer;
- (iii) there will have occurred: (a) any general suspension of trading in, or limitation on prices for, securities on any securities exchange or in the over-the-counter market in Canada or Sweden; (b) the declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or Sweden (whether or not mandatory); (c) a natural disaster or the commencement of a war, armed hostilities, act of terrorism or other international or national calamity directly or indirectly involving Canada, Sweden or any other country or region where we have significant business

- activity; (d) any limitation by any government or governmental authority or regulatory or administrative agency or any other event that, in our sole judgment, acting reasonably, might affect the extension of credit by banks or other lending institutions; (e) any significant decrease, in our sole judgment, acting reasonably, in the market price of the Shares since the close of business on May 11, 2022, which will include, without limitation, any decline by an amount in excess of 10%, measured from the close of business on May 11, 2022; (f) any material change in short term or long term interest rates; (g) any material change in commodity prices which affect, or could be reasonably expected to affect, our business, operations and financial results, including the Brent and West Texas Intermediate ("**WTI**") benchmark oil prices, the differential between Western Canadian Select and WTI, and natural gas prices in Canada; (h) any change in the general political, market, economic or financial conditions that, in our sole judgment, acting reasonably, has or may have a material adverse effect on our business, operations or prospects or the trading in, or value of, the Shares; (i) any decline in either of the S&P/TSX Composite Index or the OMX Stockholm PI (OMXSPI) by an amount in excess of 10%, measured from the close of business on May 11, 2022; or (j) in the case of any of the foregoing existing at the time of the commencement of the Offer, an acceleration or worsening thereof;
- (iv) there will have occurred a material change in Swedish or any other currency exchange rates or a suspension of, or limitation on, the markets for such currencies that could have, in the Corporation's reasonable judgment, a material adverse effect on the business, properties, assets, liabilities, capitalization, shareholders' equity, condition (financial or otherwise), operations, results of operations or prospects of the Corporation, its subsidiaries or its assets, taken as a whole, or on the trading in the Shares;
  - (v) there will have occurred any change or changes (or any development involving any prospective change or changes) in the business, assets, liabilities, properties, condition (financial or otherwise), operations, results of operations or prospects of the Corporation, its subsidiaries or its assets that, in our sole discretion or judgment, acting reasonably, has, had or may have, individually or in the aggregate, a material adverse effect on the Corporation, its subsidiaries or its assets;
  - (vi) any takeover bid or tender or exchange offer with respect to some or all of the securities of IPC, or any merger, business combination or acquisition proposal, disposition of assets, or other similar transaction with, or involving, us or any of our affiliates, other than the Offer, or any solicitation of proxies, other than by management, to seek to control or influence our Board of Directors, will have been proposed, announced or made by any individual or entity;
  - (vii) BMO Capital Markets has withdrawn or amended its opinion with respect to the liquidity of the market for the Shares after completion of the Offer;
  - (viii) we will have determined that the consummation of the Offer is reasonably likely to cause the Shares to be delisted from the TSX or Nasdaq Stockholm;
  - (ix) we will have determined, in our sole judgment, acting reasonably, that the Corporation would be subject to Part VI.1 tax under the Tax Act in connection with the Offer;
  - (x) the completion of the Offer subjects us to any material tax liability;
  - (xi) the Corporation shall have determined, in its sole judgment, acting reasonably, that the Purchase Price exceeds a price equal to the fair market value of a Share at the time of the acquisition of such Share by the Corporation pursuant to the Offer, determined without reference to the Offer;
  - (xii) there shall have occurred any significant decrease, in our sole judgment, acting reasonably, in the value of our principal assets, individually or in the aggregate;

- (xiii) we will have concluded, in our sole judgment, acting reasonably, that the Offer or the take up and payment for any or all of the Shares by us is illegal or not in compliance with applicable law or stock exchange requirements, or that necessary exemptions under applicable securities laws are not available to us for the Offer, and, if required under any such laws or requirements, we will not have received the necessary exemptions from, or approvals or waivers of, the appropriate courts, securities regulatory authorities or stock exchange(s) in respect of the Offer;
- (xiv) any changes will have occurred or been proposed to (a) the Tax Act, (b) the Swedish Income Tax Act (Sw. inkomstskattelagen), (c) the publicly available administrative policies or assessing practices of the CRA, (d) relevant tax jurisprudence, or (e) the comparable acts, policies, practices or jurisprudence in the other principal jurisdictions in which the Corporation or its subsidiaries operate that, in our sole judgment, acting reasonably, is detrimental to IPC or its subsidiaries or affiliates, or any one or more Shareholders, or with respect to making the Offer or taking up and paying for Shares deposited under the Offer; or
- (xv) no Auction Tenders or Purchase Price Tenders have been made pursuant to the Offer.

The foregoing conditions are for our sole benefit and may be asserted by us in our sole discretion, regardless of the circumstances (including any action or inaction by us) giving rise to any such conditions, or may be waived by us, in our sole discretion, in whole or in part at any time, provided that the condition listed in clause (viii) above is not waivable by us. Our failure at any time to exercise our rights under any of the foregoing conditions will not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and other circumstances will not be deemed a waiver with respect to any other facts and circumstances; and each such right will be deemed an ongoing right which may be asserted at any time or from time to time. Any determination by us concerning the events described in this Section 8, "*Conditions of the Offer*", will be final and binding on all parties.

Any waiver of a condition or our withdrawal of the Offer will be deemed to be effective on the date on which notice of such waiver or withdrawal is delivered or otherwise communicated to the Depositaries. After giving notice to the Depositaries of any waiver of a condition or the withdrawal of the Offer, we will immediately make a public announcement of such waiver or withdrawal and provide, or cause to be provided, notice of such waiver or withdrawal to the TSX, Nasdaq Stockholm and the applicable Canadian and Swedish securities regulatory authorities. If the Offer is withdrawn, we will not be obligated to take up, accept for purchase or pay for any Shares deposited pursuant to the Offer, and the Depositaries will return all certificates for Deposited Shares, Letters of Transmittal, Notices of Guaranteed Delivery and Euroclear Sweden Tender Forms and any related documents to the parties by whom they were deposited.

## **9. Extension and Variation of the Offer**

Subject to applicable law, we expressly reserve the right, in our sole discretion, and regardless of whether or not any of the conditions specified in Section 8 of this Offer to Purchase, "*Conditions of the Offer*" have occurred, at any time or from time to time, to extend the period of time during which the Offer is open or to vary the terms and conditions of the Offer by giving written notice, or oral notice to be confirmed in writing, of extension or variation to the Depositaries and by causing the Depositaries to provide to all Shareholders, where required by law, as soon as practicable thereafter, a copy of the notice in the manner set forth in Section 13 of this Offer to Purchase, "*Notice*". Promptly after giving notice of an extension or variation to the Depositaries, but, in the case of an extension, no later than 5:00 p.m. (Central European Time) on the Business Day prior to the last previously scheduled or announced Euroclear Expiration Date (in the case of the current Euroclear Expiration Date, such announcement would occur no later than 5:00 p.m. (Central European Time) on June 17, 2022), we will make a public announcement of the extension or variation and provide, or cause to be provided, notice of such extension or variation to the TSX, Nasdaq Stockholm and the applicable Canadian and Swedish securities regulatory authorities. Any notice of extension or variation will be deemed to have been given and be effective on the day on which it is delivered or otherwise communicated by electronic mail to the Depositaries. For greater certainty, in the event that we extend the Euroclear Expiration Date, we will extend the Non-Euroclear Expiration Date for a period of time equal to the duration of the extension applicable to the Euroclear Expiration Date and vice versa.

Where the terms of the Offer are varied (other than a variation consisting solely of the waiver of a condition of the Offer), the period during which Shares may be deposited pursuant to the Offer will not expire before ten days (except for any variation increasing or decreasing the aggregate purchase price or the range of prices we may pay for Shares pursuant to the Offer or fees payable to the Canadian Dealer Manager, in which case the Offer will not expire before ten Business Days) after the date of the notice of variation, unless otherwise permitted by applicable law. In the event of any variation, all Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by us in accordance with the terms of the Offer, subject to the right of a Shareholder to withdraw Shares tendered pursuant to the Offer in the manner described in this Offer to Purchase. An extension of the Non-Euroclear Expiration Date or the Euroclear Expiration Date or a variation of the Offer does not constitute a waiver by us of our rights in Section 8 of this Offer to Purchase, "*Conditions of the Offer*".

If we make a material change in the terms of the Offer or the information concerning the Offer, we will extend the time during which the Offer is open to the extent required under applicable securities laws.

We also expressly reserve the right, in our sole discretion: (a) to terminate the Offer and not take up and pay for any Shares not theretofore taken up and paid for upon the occurrence of any of the conditions specified in Section 8 of this Offer to Purchase, "*Conditions of the Offer*"; and/or (b) at any time, or from time to time, to vary the Offer in any respect, including increasing or decreasing the aggregate purchase price for Shares that we may purchase or the range of prices we may pay pursuant to the Offer, subject to compliance with applicable securities laws.

Any such extension, delay, termination or variation will be followed as promptly as practicable by a public announcement. Without limiting the manner in which we may choose to make any public announcement, except as provided by applicable law, we will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release through our usual news wire service.

## **10. Taking Up and Payment for Deposited Shares**

Promptly after we have determined the Purchase Price in accordance with Section 2 of this Offer to Purchase, "*Purchase Price*", we will publicly announce the Purchase Price and will take up Shares to be purchased pursuant to the Offer promptly after the Non-Euroclear Expiration Date, but in any event no later than ten days after such time, provided that the conditions of the Offer (as the same may be amended) have been satisfied or waived. We will pay for such Shares within three Business Days after taking up the Shares.

### ***Number of Shares***

For purposes of the Offer, we will be deemed to have accepted for payment, subject to proration, Shares deposited and not withdrawn pursuant to Auction Tenders equal to or less than the Purchase Price and pursuant to Purchase Price Tenders if, as and when we give written notice to the applicable Depository of our acceptance of such Shares for payment pursuant to the Offer.

### ***Payment***

Payment for Shares accepted for purchase pursuant to the Offer will be made within three Business Days of the date on which we deliver funds on account of the aggregate Purchase Price of the accepted Shares to the applicable Depository by bank transfer or other means satisfactory to such Depository, who will act as agent for the applicable depositing Shareholders for the purpose of receiving payment from us and transmitting such payment to such depositing Shareholders. **Under no circumstances will interest accrue or be paid by us or either Depository on the Purchase Price to any person depositing Shares regardless of any delay in making payment, including any delay in making payment to any person using the guaranteed delivery procedures.**

In the event of proration of Shares deposited pursuant to Auction Tenders and Purchase Price Tenders, we will determine the proration factor and pay for those Deposited Shares accepted for payment promptly after the Non-Euroclear Expiration Date. However, we do not expect to announce the final results of any such proration for at least three Business Days after the Non-Euroclear Expiration Date.

All Deposited Shares not purchased, including all Shares deposited pursuant to Auction Tenders at prices in excess of the Purchase Price, Shares not purchased due to proration and Shares not accepted for purchase, will be returned promptly after the Non-Euroclear Expiration Date or termination of the Offer without expense to the depositing Shareholder.

We reserve the right, in our sole discretion, to delay taking up or paying for any Shares or to terminate the Offer and not take up or pay for any Shares if any condition specified in Section 8 of this Offer to Purchase, "*Conditions of the Offer*" is not satisfied or waived, by giving written notice thereof or other communication confirmed in writing to the Depositories. We also reserve the right, in our sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Shares in order to comply, in whole or in part, with any applicable law.

All Shares purchased by us pursuant to the Offer will be cancelled.

#### Non-Euroclear Shareholders

The following information is applicable only to Non-Euroclear Shareholders. If you are a Euroclear Shareholder, please refer to the information under the heading "*Euroclear Shareholders*" directly below.

The Purchase Price for Shares deposited and purchased will be paid by cheque issued to the order of, and certificate(s) representing Shares not deposited or not purchased pursuant to the Offer will be issued to, the person signing the relevant Letter of Transmittal or to the order of such other person as identified by the person signing such Letter of Transmittal, by properly completing the appropriate boxes in such Letter of Transmittal. In the absence of an address being provided, cheques, certificates or DRS advices will be forwarded to the address of the person as shown on the register for the Shares. Payments will be made net of any applicable withholding taxes. The Purchase Price for Shares deposited by Non-Euroclear Shareholders through book-entry transfer and purchased will be paid by credit to the relevant account at CDS through CDSX.

The Canadian Depository will forward, at our expense, cheques, certificates and DRS advices representing all certificated Shares not purchased by first-class insured mail, postage pre-paid, to the person signing the relevant Letter of Transmittal or to such other person or such other address as identified by the person in such Letter of Transmittal (unless the person signing the Letter of Transmittal instructs the Canadian Depository to hold such certificates for Shares and/or cheques for pickup) by properly completing the appropriate boxes in such Letter of Transmittal.

See Section 11 of this Offer to Purchase, "*Payment in the Event of Mail Service Interruption*", in the event of real or possible mail service interruption. Any Shares deposited by Non-Euroclear Shareholders through book-entry transfer and not purchased will be credited to the relevant account at CDS through CDSX.

**The Purchase Price will be denominated in Canadian dollars and the Corporation's obligation to make payment of amounts owing to a depositing Shareholder whose Shares are taken up will be made in Canadian dollars; provided, however, that Euroclear Shareholders will receive a corresponding amount in Swedish Krona to the Purchase Price, subject to applicable withholding taxes. The risk of any fluctuations between Canadian dollars and Swedish Krona, including risks relating to the particular date and time at which funds are converted, will be solely borne by tendering Euroclear Shareholders.**

## Euroclear Shareholders

The following information is applicable only to Euroclear Shareholders. If you are a Non-Euroclear Shareholder, please refer to the information under the heading "*Non-Euroclear Shareholders*" directly above.

Settlement of the Offer in Euroclear Sweden will be arranged by distribution of contract notes to those Euroclear Shareholders who have accepted the Offer and whose Shares have been acquired by IPC. Any Share that has not been acquired by the Corporation will be returned to the VP account where the Shares were originally registered.

The Purchase Price payable to a Euroclear Shareholder, less applicable withholding taxes, will be credited to the deposit account linked to such Euroclear Shareholder's VP account in which the Shares were originally registered. If a Euroclear Shareholder does not have a deposit account linked to its VP account or if the account is defective, a query will be sent to the owner of the account. If a Euroclear Shareholder's Shares are registered in the name of a nominee, the contract note will be sent, and the consideration paid, to the nominee.

***The deemed dividend portion of the Purchase Price ultimately paid to the Euroclear Shareholder's VP account of the Shareholders who (directly or indirectly) hold Shares through Euroclear Sweden will be reduced by an amount equal to the withholding tax of 25% in accordance with Canadian tax legislation, irrespective of whether any such Shareholder is (i) a resident of Canada; or (ii) a non-resident of Canada and is entitled to the benefits of an applicable income tax treaty or convention.***

### **11. Payment in the Event of Mail Service Interruption**

Notwithstanding the provisions of the Offer, cheques issued as payment for Shares purchased pursuant to the Offer and certificates for any Shares to be returned will not be mailed if we determine that delivery by mail may be delayed. Persons entitled to cheques or certificates that are not mailed for this reason may take delivery at the office of the applicable Depository at which the deposited certificates for the Shares were delivered until we have determined that delivery by mail will no longer be delayed. We will provide notice, in accordance with Section 13 of this Offer to Purchase, "*Notice*", of any determination not to mail under this Section 11, "*Payment in the Event of Mail Service Interruption*" as soon as reasonably practicable after such determination is made.

### **12. Liens and Dividends**

Shares acquired pursuant to the Offer will be acquired free and clear of all liens, charges, encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom, provided that any dividends or distributions that may be paid, issued, distributed, made or transferred on or in respect of such Shares to Shareholders of record on or prior to the date upon which the Shares are taken up and paid for pursuant to the Offer will be for the account of such Shareholders. Each Shareholder of record on that date will be entitled to receive that dividend or distribution whether or not such Shareholder deposits Shares pursuant to the Offer.

### **13. Notice**

Except as may be otherwise required by law and without limiting any other lawful means of giving notice, any notice to be given by us or either Depository pursuant to the Offer will be deemed to have been properly given if it is broadly disseminated by press release or mailed by first-class mail, postage prepaid, to the registered holders of Shares at their respective addresses as shown on the registers maintained in respect of the Shares and will be deemed to have been received following the issuance of such press release or on the first Business Day following the date of mailing, as applicable. These provisions apply despite: (i) any accidental omission to give notice to any one or more Shareholders; and (ii) an interruption of mail service following mailing, if applicable. In the event of an interruption of mail service following mailing, we will use reasonable efforts to disseminate the notice by other means, such as publication. If any notice is to be given by mail and post offices are not open for deposit of mail, or there is reason to believe there is

or could be a disruption in all or any part of the postal service, any notice which we or either Depositary may give, or cause to be given, pursuant to the Offer will be deemed to have been properly given, and to have been received, by Shareholders if it is issued by way of a news release and if it is published once in: (i) the National Edition of The Globe and Mail or the National Post; and (ii) the Swedish Official Gazette (*Sv. Post och Inrikes Tidningar*) or Dagens Industri.

#### **14. Other Terms**

No stock broker, dealer or other person has been authorized to give any information or to make any representation on our behalf other than as contained in this Offer to Purchase and the Circular, and, if any such information or representation is given or made, it must not be relied upon as having been authorized by us or the Canadian Dealer Manager.

It is a term of the Offer that for the purposes of subsection 191(4) of the Tax Act, the "specified amount" in respect of each Share will be an amount equal to the Purchase Price less CDN\$0.05. We will publicly announce the specified amount when we announce the Purchase Price pursuant to the Offer.

Shareholders should carefully consider the applicable tax consequences of accepting the Offer. See Section 14 of the Circular, "*Tax Considerations*".

The Offer and all contracts resulting from the acceptance thereof will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

We, in our sole discretion, will be entitled to make a final and binding determination of all questions relating to the interpretation of the Offer, the validity of any acceptance of the Offer and the validity of any withdrawals of Shares.

The Offer is not being made to, and deposits of Shares will not be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. We may, in our sole discretion, take such action as we may deem necessary to lawfully make the Offer in any such jurisdiction and extend the Offer to Shareholders in any such jurisdiction.

**The accompanying Circular contains additional information relating to the Offer. The accompanying Circular, together with this Offer to Purchase, constitutes the issuer bid circular required under Canadian provincial and territorial securities legislation applicable to us with respect to the Offer.**

**DATED** this 11<sup>th</sup> day of May, 2022.

**International Petroleum Corporation**

*(signed) Mike Nicholson*  
\_\_\_\_\_  
Chief Executive Officer

*(signed) Christophe Nerquarian*  
\_\_\_\_\_  
Chief Financial Officer

## CIRCULAR

This Circular is dated May 11, 2022 and is being delivered in connection with our offer to purchase, for cash, Shares validly tendered, and not withdrawn, pursuant to the Offer having an aggregate purchase price of not more than CDN\$128,000,000 (equivalent to approximately SEK 989 million or US\$98.4 million). Unless otherwise defined herein, capitalized terms have the respective meanings assigned to them under the heading "*Glossary*" in the Offer to Purchase. The terms and conditions of the Offer to Purchase, the Letter of Transmittal, the Notice of Guaranteed Delivery and the Euroclear Sweden Tender Form are incorporated into and form part of this Circular. Reference is made to the Offer to Purchase for details of the terms and conditions of the Offer.

### 1. International Petroleum Corporation

#### **Overview**

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 and France with exposure to growth opportunities. IPC is focused on delivering operational excellence, demonstrating financial resilience, maximizing the value of IPC's resource base and targeting growth through acquisition.

The vision and strategy of IPC's management from the outset has been to use the IPC platform to build an international upstream company focused on creating long-term value for Shareholders by acquiring and growing a significant resource base.

IPC is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The Shares are listed for trading on the TSX in Canada and on Nasdaq Stockholm in Sweden, in each case, under the trading symbol "IPCO".

IPC was incorporated under the laws of the Province of British Columbia on January 13, 2017, under the name "1103721 B.C. Ltd.". On January 23, 2017, the name of the Corporation was changed from "1103721 B.C. Ltd." to "International Petroleum Corporation". IPC's head office is located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8 and the registered and records office is located at 2600, 595 Burrard Street Vancouver, British Columbia, Canada, V7X 1L3.

#### **Additional Information**

IPC is subject to the continuous disclosure requirements of applicable Canadian and Swedish securities laws, as well as the rules of the TSX and Nasdaq Stockholm, and in accordance therewith, files periodic reports and other information with Canadian and Swedish securities regulatory authorities, as well as with the TSX and Nasdaq Stockholm relating to its business, financial condition and other matters. Shareholders may access documents filed with Canadian provincial securities regulatory authorities under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### 2. Authorized Capital

The authorized capital of IPC consists of (i) an unlimited number of Shares, without par value; (ii) an unlimited number of class A preferred shares in the capital of IPC ("**Class A Preferred Shares**"); and (iii) an unlimited number of class B preferred shares in the capital of IPC ("**Class B Preferred Shares**"), issuable in series. As of May 10, 2022, there were issued and outstanding: (i) 150,966,013 Shares; (ii) 117,485,389 Class A Preferred Shares; and (iii) no Class B Preferred Shares.

All of the Shares outstanding are fully paid and non-assessable. Shareholders are entitled to dividends, if, as and when declared by the Board of Directors, to receive notice of meetings of Shareholders, to one vote per Share at meetings of Shareholders and, upon liquidation, to receive such assets of the Corporation as are distributable to Shareholders. Shareholders do not have cumulative voting rights with respect to the

election of directors and, accordingly, holders of a majority of the votes eligible to vote at a meeting of Shareholders may elect all the directors of the Corporation standing for election. Dividends, if any, will be paid on a pro rata basis only from funds legally available therefor.

### **3. Purpose and Effect of the Offer**

The Corporation believes that the historical and current trading prices of the Shares are not fully reflective of the value of the Corporation's business, assets and future prospects. Therefore, the Corporation believes that the purchase of Shares pursuant to the Offer represents an efficient means of providing value to Shareholders and an appropriate use of the Corporation's available cash on hand, consistent with IPC's future strategic direction and capital allocation plans, as announced on February 8, 2022 and discussed in greater detail below. The Offer provides the Corporation with an opportunity to return up to CDN\$128 million (equivalent to approximately SEK 989 million or US\$98.4 million) of capital to Shareholders who elect to tender, while at the same time increasing the proportionate Share ownership of Shareholders who elect not to tender. The Offer is not expected to preclude the Corporation from pursuing any foreseeable business and strategic opportunities. After giving effect to the Offer, the Corporation believes that it will continue to have sufficient financial resources and working capital to conduct its business.

On February 8, 2022, IPC announced its 2022 capital allocation plans, which reflected IPC's strong forecast liquidity position resulting from continued operational performance and strong commodity prices. In particular, IPC announced its intention to distribute to Shareholders free cash flow generated by IPC by way of continued Share repurchases under IPC's previously announced Share Repurchase Program, as well as the consideration by IPC of other forms of Shareholder distributions.

Management of IPC, after consultation with its financial advisors, determined that pursuing a substantial issuer bid would be an efficient use of the Corporation's financial resources and the appropriate means of distributing free cash flow to Shareholders in accordance with its 2022 capital allocation plans.

On April 20, 2022, management initially presented the proposal to consider launching a substantial issuer bid to the Board of Directors, discussing the relevant financial, legal and commercial considerations. The Board of Directors instructed management to continue to review the substantial issuer bid proposal and to revert to the Board of Directors with a recommendation. On May 2, 2022, management presented to the Board of Directors its recommendation that IPC proceed with making a substantial issuer bid. The Board of Directors carefully considered the recommendation made by management and determined that it would be in the best interests of the Corporation and its Shareholders to make a substantial issuer bid for an aggregate purchase price not exceeding CDN\$128 (equivalent to approximately SEK 989 million or US\$98.4 million), substantially on the terms and conditions set forth in the Offer to Purchase. In considering whether the Offer would be in the best interests of the Corporation and its Shareholders, the Board of Directors gave careful consideration to a number of factors, including, without limitation, the following:

- management's view that the trading price of the Shares is not fully reflective of the value of the Corporation's business, assets and future prospects and that, therefore, the purchase of Shares under the Offer represents an appropriate and desirable use of available funds;
- the positive impact that the purchase of Shares is expected to have on the Corporation's net asset value calculated on a per Share basis;
- IPC's available funds following its strong 2021 and first quarter 2022 financial results and issuance of US\$300 million of senior unsecured bonds in February 2022;
- the Corporation's belief that the Offer is a prudent use of the Corporation's financial resources, given its business profile, assets and cash requirements, as an extension of its Share Repurchase Program;

- after giving effect to the Offer, the Corporation will continue to have sufficient financial resources and working capital to conduct its ongoing business and operations and the Offer is not expected to preclude the Corporation from pursuing its foreseeable business opportunities or the future growth of the Corporation's business;
- the Offer may provide Shareholders with an opportunity to realize on all or a portion of their investment in the Corporation, subject to any applicable withholding taxes, should they desire liquidity in quantities and at prices which may otherwise be unavailable in the market;
- the Offer provides for equal and hence fair treatment of all Shareholders;
- the Offer is not conditional on any minimum number of Shares being deposited;
- all Shareholders are free to choose not to participate in the Offer depending on their investment preferences or other considerations, including considerations relating to applicable withholding tax;
- Shareholders who do not deposit their Shares pursuant to the Offer will realize a proportionate increase in their equity interest in the Corporation to the extent that Shares are purchased by us pursuant to the Offer;
- Shareholders wishing to tender Shares may do so pursuant to Auction Tenders or Purchase Price Tenders or by tendering a portion of Shares pursuant to Auction Tenders and another portion of Shares pursuant to Purchase Price Tenders;
- the advice of the Corporation's financial advisor, BMO Capital Markets, in respect of the Offer, including an opinion addressed to the Board of Directors regarding the liquidity of the market for the Shares after completion of the Offer; and
- the fact that it is reasonable to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for holders of the Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer (see "*Liquidity of Market*" below).

The foregoing summary of the factors considered by the Board of Directors is not, and is not intended to be, exhaustive. In view of the variety of factors and the amount of information considered in connection with its determination to proceed with the Offer, the Board of Directors did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion.

We believe that the purchase of Shares under the Offer represents an appropriate use of the Corporation's available cash on hand, for the reasons set forth above.

Notwithstanding the foregoing considerations, before making any decision to tender or not tender Shares to the Offer, Shareholders should carefully consider the risks associated with the Corporation's business, including the risks described in IPC's annual information form for the year ended December 31, 2021 under the heading "Risk Factors", in IPC's management's discussion and analysis for the three months ended March 31, 2022 under the heading "Risk and Uncertainties", in IPC's management's discussion and analysis for the year ended December 31, 2021 under the heading "Risk and Uncertainties" and in the other reports on file with applicable securities regulatory authorities, including previous financial reports, management's discussion and analysis and annual information forms, which may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) or IPC's website ([www.international-petroleum.com](http://www.international-petroleum.com)).

Subject to certain exceptions, Canadian provincial and territorial securities laws prohibit us and our affiliates from acquiring any Shares, other than pursuant to the Offer, until at least 20 Business Days after the Non-Euroclear Expiration Date or date of termination of the Offer. Subject to applicable law, the Corporation

may purchase additional Shares in the future on the open market, in private transactions, through issuer bids or otherwise. Any such purchases may be on the same terms or on terms that are more or less favourable to Shareholders than the terms of the Offer. Any possible future purchases by us will depend on many factors, including the market price of the Shares, our business and financial position, the results of the Offer and general economic and market conditions.

**None of IPC, its Board of Directors, the Canadian Dealer Manager, the Swedish Manager, the Canadian Depositary or the Swedish Issuing Agent makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares pursuant to the Offer. No person has been authorized to make any such recommendation. Shareholders are urged to evaluate carefully all information in the Offer, consult their own financial, legal, investment, tax and other professional advisors and make their own decisions as to whether to deposit Shares pursuant to the Offer, and, if so, how many Shares to deposit and whether to specify a price and, if so, at what price to deposit such Shares. Shareholders should carefully consider the applicable tax consequences of accepting the Offer. See Section 14 of the Circular, "Tax Considerations".**

### ***Liquidity of Market***

As of May 10, 2022, there were 150,966,013 Shares issued and outstanding, of which approximately 106,568,997 Shares comprised the "public float", which excludes Shares beneficially owned, or over which control or direction is exercised, by our "related parties", as defined under applicable securities laws (which includes our directors and senior officers and any of our subsidiaries as well as any person that beneficially owns or exercises control or direction over 10% or more of the issued and outstanding Shares). The maximum number of Shares that we are offering to purchase pursuant to the Offer represents approximately 7.1% of the Shares issued and outstanding as at May 10, 2022. In the event that we take up and purchase the maximum 10,666,666 Shares pursuant to the Offer, and none of the related parties deposit their Shares pursuant to the Offer, the "public float" will comprise approximately 95,902,331 Shares. Assuming the Offer is fully subscribed, the minimum number of Shares that we are offering to purchase pursuant to the Offer represents approximately 6.1% of the Shares issued and outstanding as at May 10, 2022. In the event that we take up and purchase the minimum of 9,142,857 Shares pursuant to the Offer, and none of our "related parties" deposit their Shares pursuant to the Offer, the "public float" will comprise approximately 97,426,140 Shares.

We are relying on the "liquid market exemption" specified in MI 61-101 from the requirement to obtain a formal valuation applicable to the Offer. Accordingly, the valuation requirements of securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

We have determined that there is a liquid market in the Shares because:

- (i) there is a published market for the Shares, namely the TSX and Nasdaq Stockholm;
- (ii) during the 12-month period before each of May 2, 2022 (the last full trading day before the intention to make the Offer was announced) and May 10, 2022 (the last full trading day before the date of the Offer to Purchase and Circular):
  - (a) the number of issued and outstanding Shares was at all times at least 5,000,000 (excluding Shares beneficially owned, or over which control or direction was exercised, by related parties) all of which Shares were, as at the relevant dates, fully tradeable;
  - (b) the aggregate trading volume of Shares on Nasdaq Stockholm (the exchange on which the Shares were principally traded) was at least 1,000,000 Shares;
  - (c) there were at least 1,000 trades in the Shares on Nasdaq Stockholm (the exchange on which the Shares were principally traded); and

- (d) the aggregate value of the trades in the Shares on Nasdaq Stockholm (the exchange on which the Shares were principally traded) was at least CDN\$15,000,000; and
- (iii) the market value of the Shares on Nasdaq Stockholm (the exchange on which the Shares were principally traded), as determined in accordance with MI 61-101, was at least CDN\$75,000,000 for April 2022 (the calendar month preceding the calendar month in which the intention to make the Offer was announced and the terms of the Offer were announced).

On May 2, 2022, at the meeting of the Board of Directors, the Board of Directors was of the view that both as of the date thereof and following the taking up of Shares pursuant to the Offer, there was and will continue to be a liquid market for the Shares. While not required under applicable securities laws, our Board of Directors requested and received a Liquidity Opinion from BMO Capital Markets. The Liquidity Opinion states that, based on and subject to the qualifications, assumptions and limitations stated in the Liquidity Opinion, as of May 2, 2022: (i) a liquid market for the Shares exists; and (ii) it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. The full text of the Liquidity Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken by BMO Capital Markets in connection with the Liquidity Opinion, is attached as Schedule "A" to this Circular. The summary of the Liquidity Opinion in this Circular is qualified in its entirety by reference to the full text of the Liquidity Opinion. The Liquidity Opinion is not a recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares. Shareholders should read the Liquidity Opinion in its entirety. See Schedule "A" to this Circular.

Based on the liquid market test set out above and on the Liquidity Opinion of BMO Capital Markets, we determined that it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of the Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of making the Offer.

Accordingly, the valuation requirements of securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

For further information, see the tables and information included in Section 5 of this Circular, "*Price Range and Trading Volume of Shares*", Section 6 of this Circular, "*Dividends and Dividend Policy*" and Section 7 of this Circular, "*Previous Distributions and Purchases of Securities*".

#### **Additional Securities Law Considerations**

IPC is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The Shares are listed for trading on the TSX in Canada and on Nasdaq Stockholm in Sweden, in each case, under the trading symbol "IPCO". IPC believes that the purchase of Shares pursuant to the Offer will not result in: (i) IPC ceasing to be a reporting issuer in any jurisdiction in Canada; or (ii) the Shares being delisted from the TSX or Nasdaq Stockholm.

#### **4. Financial Statements**

The audited consolidated financial statements of IPC and the related management's discussion and analysis as at and for the financial years ended December 31, 2021 and 2020 have previously been filed and are available on SEDAR at [www.sedar.com](http://www.sedar.com). The unaudited condensed interim consolidated financial statements of IPC as at and for the three months ended March 31, 2022 and the related management's discussion and analysis have also previously been filed and are available under IPC's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may obtain copies of these financial statements, without charge, upon request to IPC, attention: Corporate Secretary, Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8.

## 5. Price Range and Trading Volumes of Shares

The Shares are listed for trading on the TSX in Canada and on Nasdaq Stockholm in Sweden, in each case, under the trading symbol "IPCO". The following table sets forth the price ranges for, and trading volumes of, the Shares on the TSX for the six months prior to the date of this Circular, and on Nasdaq Stockholm for the six months prior to the date of this Circular.

Month	TSX (IPCO) <sup>(1)</sup>				Nasdaq Stockholm (IPCO) <sup>(2)</sup>			
	High (CDN\$)	Low (CDN\$)	Close (CDN\$)	Volume	High (SEK)	Low (SEK)	Close (SEK)	Volume
<b>2021</b>								
November .....	7.44	6.13	6.32	1,010,953	54.25	43.50	44.50	13,962,575
December .....	7.30	6.47	7.07	1,018,806	52.70	45.06	50.00	10,185,076
<b>2022</b>								
January .....	8.69	7.32	8.30	1,174,581	63.70	49.84	60.60	11,442,424
February .....	9.32	8.23	9.09	1,879,943	71.00	59.50	66.90	16,055,283
March .....	12.15	9.14	11.93	2,672,306	92.05	67.50	89.55	28,344,734
April .....	13.35	11.68	12.29	1,357,065	102.20	86.40	95.35	10,840,949
May 1-10 .....	13.16	11.56	11.78	775,916	101.60	86.90	91.70	4,962,314

### Notes:

(1) As reported by the TSX. Source: Bloomberg.

(2) As reported by Nasdaq Stockholm. Source: Bloomberg.

On May 2, 2022 (the last full trading day before the intention to make the Offer was announced), the closing price of the Shares on the TSX and Nasdaq Stockholm was CDN\$12.28 and SEK 92.65, respectively. The ten-day volume-weighted average price of the Shares on May 2, 2022 on the TSX and Nasdaq Stockholm was CDN\$12.37 and SEK 94.44, respectively. On May 10, 2022 (the last full trading day before the date of the Offer to Purchase and Circular), the closing price of the Shares on the TSX and Nasdaq Stockholm was CDN\$11.78 and SEK 91.70, respectively. The ten-day volume-weighted average price of the Shares on May 10, 2022 on the TSX and Nasdaq Stockholm was CDN\$12.24 and SEK 94.78, respectively.

The minimum price per Share of CDN\$12.00 (equivalent to approximately SEK 92.74) offered in the Offer is less than the closing price of the Shares on the TSX on May 2, 2022 (the last full trading day before the intention to make the Offer was announced) and greater than the closing price of the Shares on the TSX on May 10, 2022 (the last full trading day before the date of the Offer to Purchase and Circular).

**Shareholders are urged to obtain current market quotations for the Shares.**

## 6. Dividends and Dividend Policy

The Corporation does not currently pay dividends on the Shares and has not paid any dividends on the Shares in the two years prior to the date hereof. Any decision to pay dividends on the Shares in the future will be made by the Board of Directors on the basis of the Corporation's earnings and financial requirements as well as other conditions existing at such time. Unless the Corporation commences the payment of dividends, holders of Shares will not be able to receive a return on their Shares unless they sell them.

In 2021, the Corporation implemented the Share Repurchase Program, because IPC believes that such program represents an effective use of IPC's capital and an efficient way to return value to Shareholders. See "*Previous Distributions and Purchases of Securities – Previous Purchases of Securities*" below.

## 7. Previous Distributions and Purchases of Securities

### *Previous Purchases of Securities*

In 2021, the Corporation implemented a normal course issuer bid (the "**Share Repurchase Program**"), pursuant to which a maximum of 11,097,074 Shares may be repurchased over the period of twelve months commencing December 3, 2021 and ending December 2, 2022, or until such earlier date as the Share Repurchase Program is completed or terminated by IPC. Under the Share Repurchase Program, a total of 4,401,744 Shares have been repurchased since the Share Repurchase Program commenced on December 3, 2021 for an aggregate of approximately CDN\$36 million (equivalent to approximately SEK 278.2 million). All Shares repurchased by IPC under the Share Repurchase Program have been, or will be, cancelled.

### *Previous Sales of Securities*

Except as described under "*Previous Distributions of Shares*" below and excluding securities sold pursuant to the exercise of employee stock options, warrants and conversion rights, during the 12 months preceding the date of the Offer, no securities of IPC were sold by the Corporation.

### *Previous Distributions of Shares*

In October 2018, IPC and BlackPearl Resources Inc. ("**BlackPearl**") announced that IPC had agreed to acquire, by way of a plan of arrangement, all of the issued and outstanding shares of BlackPearl (the "**BlackPearl Acquisition**"). The BlackPearl Acquisition was completed on December 14, 2018 and IPC acquired all of the issued and outstanding shares of BlackPearl on the basis of 0.22 of a Share for each share of BlackPearl. IPC issued 75,798,219 Shares in connection with the BlackPearl Acquisition at a deemed price of CDN\$5.19 per Share, resulting in an aggregate issuance value of CDN\$393,400,000.

In addition, the following table sets out the number of Shares that were issued by the Corporation on an annual basis for the five years preceding the date of the Offer upon the exercise of stock options to purchase Shares which were granted under the Corporation's stock option plan, the average price per Share and the aggregate proceeds received by the Corporation.

<u>Year of Distribution</u>	<u>Number of Shares Issued on Exercise</u>	<u>Average Price per Issued Share</u>	<u>Aggregate Value</u>
2017	—	—	—
2018	—	—	—
2019	—	—	—
2020	—	—	—
2021	25,000	CDN\$4.77	CDN\$119,250
2022 (through May 10)	—	—	—

## 8. Interest of Directors and Officers

Except as set forth in the Offer, neither we nor, to our knowledge, any of our officers or directors, are a party to any contract, arrangement or understanding, formal or informal, with any securityholder relating, directly or indirectly, to the Offer or with any other person or company with respect to any securities of the Corporation in relation to the Offer, nor are there any contracts or arrangements made or proposed to be made between us and any of our directors or officers and no payments or other benefits are proposed to be made or given by way of compensation for loss of office or as to such directors or officers remaining in or retiring from office if the Offer is successful.

Except as disclosed in the Offer, neither we nor, to our knowledge, any of our officers or directors have current plans or proposals which relate to, or would result in, any extraordinary corporate transaction involving us, such as a "going private transaction", a merger, a reorganization, the sale or transfer of a

material amount of our assets or the assets of any of our subsidiaries (although we may, from time to time, consider various acquisition, investment and M&A opportunities), any material change in our present management not already publicly announced, any material change in our indebtedness or capitalization, any other material change in our business or corporate structure, any material change in our articles, or actions that could cause the Shares to be delisted from the TSX or Nasdaq Stockholm or any actions similar to any of the foregoing.

## 9. Ownership of Securities of the Corporation

To our knowledge, after reasonable inquiry, the following table indicates, as of May 10, 2022, the number of securities of the Corporation beneficially owned or over which control or direction is exercised, by each of our directors and officers and, after reasonable inquiry, by (i) each associate or affiliate of an insider, each as defined under applicable securities law, of the Corporation, (ii) each associate or affiliate of the Corporation, (iii) each other insider, as defined under applicable securities law, of the Corporation, and (iv) each person acting jointly or in concert with the Corporation, and the percentage such number of securities represents of the applicable total outstanding number of such securities.

Name	Relationship with Corporation	Shares		Preferred Shares		Performance Share Units <sup>(4)</sup>		Director Share Units <sup>(5)</sup>	
		Number <sup>(1)</sup>	%	Number	%	Number	%	Number	%
Mike Nicholson	President and Chief Executive Officer, Director	500,000	0.33%	-	-	1,272,457	28.09%	-	-
C. Ashley Heppenstall <sup>(1)</sup>	Chair of the Board, Director	1,127,501	0.75%	-	-	-	-	-	-
Donald Charter	Director	72,333	0.05%	-	-	-	-	-	-
Christiaan Bruijnzeels	Director	50,000	0.03%	-	-	-	-	-	-
Emily Moore	Director	-	-	-	-	-	-	4,333	5.43%
L.H. (Harry) Lundin <sup>(2)</sup>	Director	185,100	0.12%	-	-	-	-	-	-
Christophe Nerguararian	Chief Financial Officer	164,335	0.11%	-	-	645,630	14.25%	-	-
William Lundin	Chief Operating Officer	275,000	0.18%	-	-	205,000	4.52%	-	-
Jeffrey Fountain	General Counsel	211,723	0.14%	-	-	526,251	11.62%	-	-
Rebecca Gordon	Vice President Corporate Planning and Investor Relations	14,000	0.01%	-	-	306,601	6.77%	-	-
Chris Hogue	Senior Vice President Canada	1,074,454	0.71%	-	-	258,369	5.70%	-	-
Ryan Adair	Vice President Asset Management and Corporate	Planning Canada	-	-	-	290,601	6.41%	-	-

International Petroleum BV	Subsidiary	-	-	117,485,389	100%	-	-	-	-
Nemesia S.a.r.l. <sup>(3)</sup>	Security Holder	40,697,533	26.96%	-	-	-	-	-	-

#### **Notes**

(1) Rojafi, an investment company owned by Mr Heppenstall and his family, holds 1,127,501 Shares.

(2) Bromma Asset Management Inc., of which Mr. Lundin is the majority owner and CEO, has control and direction over 185,100 Shares.

(3) Nemesia S.à.r.l. is a private company ultimately controlled by a trust settled by the late Adolf H. Lundin.

(4) Awards granted under the Corporation's Share Unit Plan; vesting of awards is subject to time and performance conditions.

(5) Awards granted under the Corporation's Share Unit Plan; redemption of awards is subject to time conditions.

### **10. Commitments to Acquire Shares**

IPC has not made any agreements, commitments or understandings to acquire securities of IPC, nor has, to our knowledge, after reasonable inquiry, any person named under Section 9 of this Circular, "*Ownership of the Securities of the Corporation*" made any agreements, commitments or understandings to acquire securities of IPC, aside from purchases through the exercise of stock options.

### **11. Benefits from the Offer and Effect on Interested Parties**

No person named under Section 9 of this Circular, "*Ownership of the Securities of the Corporation*" will receive any direct or indirect benefit from accepting or refusing to accept the Offer.

### **12. Material Changes in the Affairs of the Corporation**

Except as otherwise described or referred to in the Offer to Purchase or this Circular, our directors and officers are not aware of any plans or proposals for material changes in the affairs of the Corporation, or of any undisclosed material changes that have occurred since May 3, 2022, being the date on which the Corporation's most recent financial statements were filed by the Corporation on SEDAR at [www.sedar.com](http://www.sedar.com).

### **13. Intention to Deposit Shares**

The Significant Shareholder has informed the Corporation that it does not intend to participate in the Offer and, as a consequence, assuming it does not otherwise dispose of any of its Shares, its proportionate equity ownership interest in IPC will increase immediately following completion of the Offer, if any Shares are acquired by IPC under the Offer.

To our knowledge and to the knowledge of our directors and officers, after reasonable inquiry, none of our directors or officers, no associate or affiliate of our directors or officers, none of our associates or affiliates, none of our other insiders (as defined under applicable securities law) and no person or company acting jointly or in concert with the Corporation, will deposit any of such person's Shares pursuant to the Offer. Those persons listed above who do not deposit their Shares pursuant to the Offer will realize a proportionate increase in their interest in the Corporation to the extent that Shares are purchased by us pursuant to the Offer.

The intentions of the Significant Shareholder and the other persons named above, as described above, may change or, subject to compliance with applicable laws, Shares may be sold on the TSX or Nasdaq Stockholm during the period of the Offer depending on the change in circumstance of such parties.

## 14. Tax Considerations

### Certain Canadian Federal Income Tax Considerations

#### General

The following summary describes, as of the date hereof, certain of the material Canadian federal income tax considerations under the Tax Act generally applicable to Shareholders who sell Shares to IPC pursuant to the Offer.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (referred to in this part as the Tax Proposals) and counsel's understanding of the current administrative policies and assessing practices of the CRA which have been published in writing prior to the date hereof. The summary assumes that all such Tax Proposals will be implemented in the form proposed, although no assurance in this regard can be given. This summary does not otherwise take into account or anticipate any changes in law or administrative policies and practices, whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is not applicable to a Shareholder (i) that is a "financial institution" for the purposes of the "mark-to-market" rules, (ii) that is a "specified financial institution", (iii) that reports its "Canadian tax results" in a currency other than Canadian dollars, (iv) an interest in which is a "tax shelter investment", (v) that has entered into a "derivative forward agreement" or a "dividend rental arrangement" in respect of the Shares, as each of those terms is defined in the Tax Act or (vi) that is a partnership. This summary is also not applicable to a Shareholder that acquired Shares pursuant to the exercise of an employee stock option and who disposes of such Shares pursuant to the Offer. All of the foregoing Shareholders should consult their own tax advisors regarding their particular circumstances.

**Having regard to the deemed dividend tax treatment described below on a sale of Shares pursuant to the Offer as opposed to capital gains (or capital loss) treatment which would generally apply to a sale in the market, Shareholders who wish to sell their Shares and who are not generally exempt from Canadian federal income tax should consult their tax advisors regarding selling their Shares in the market as an alternative to tendering their Shares pursuant to the Offer.**

This summary is not exhaustive of all Canadian federal income tax considerations. Further, this summary is of a general nature only and is not intended to be, nor should it be considered to be, legal or tax advice to any particular Shareholder and no representation is made with respect to the income tax consequences to any particular Shareholder. Accordingly, Shareholders should consult their own tax advisors concerning the application and effect of the income and other taxes of any country, province, territory, state or local tax authority, having regard to their particular circumstances.

#### Shareholders Resident in Canada

The following portion of the summary is, subject to the discussion under "General" above, applicable to a Shareholder who, for the purposes of the Tax Act and at all relevant times, is or is deemed to be a resident of Canada, deals at arm's length with, and is not affiliated with, IPC, holds its Shares as capital property and is not exempt from tax under Part I of the Tax Act (referred to in this part as a "Canadian Resident Shareholder"). The Shares will generally be considered to be capital property to a Canadian Resident Shareholder provided that the Canadian Resident Shareholder does not hold the Shares in the course of carrying on a business of buying and selling Shares and has not acquired the Shares in a transaction considered to be an adventure or concern in the nature of trade. Certain Canadian Resident Shareholders that might not otherwise be considered to hold their Shares as capital property may, in certain circumstances, be entitled to have the Shares and all other "Canadian securities" (as defined in the Tax

Act) owned by such Canadian Resident Shareholders in the taxation year of the election and all subsequent taxation years deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Canadian Resident Shareholders should consult their own tax advisors for advice with respect to whether an election under subsection 39(4) of the Tax Act is available or advisable having regard to their particular circumstances.

#### Disposition of Shares and Deemed Dividend

A Canadian Resident Shareholder who sells Shares to IPC pursuant to the Offer will be deemed to receive a taxable dividend equal to the excess, if any, of the amount paid by IPC for the Shares over their paid-up capital for purposes of the Tax Act. For these purposes, IPC estimates that the paid-up capital per Share as of the date hereof is approximately CDN\$3.00 (and following the Non-Euroclear Expiration Date, IPC will advise Shareholders of any material change to this estimate). As a result, IPC expects that a Canadian Resident Shareholder who sells Shares pursuant to the Offer will be deemed to receive a dividend for purposes of the Tax Act. The exact quantum of the deemed dividend cannot be guaranteed.

Any dividend deemed to be received by a Canadian Resident Shareholder who is an individual will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by Canadian resident individuals from a taxable Canadian corporation, including the enhanced gross-up and dividend tax credit if IPC validly designates the dividend as an "eligible dividend". There may be limitations on the ability of a corporation to designate dividends as eligible dividends. Subject to such limitations, IPC intends to designate all deemed dividends arising as a result of a sale of Shares pursuant to the Offer as eligible dividends for these purposes.

Subject to the application of subsection 55(2) of the Tax Act, as described below, any dividend deemed to be received by a Canadian Resident Shareholder that is a corporation will be included in computing such Canadian Resident Shareholder's income as a dividend, and will ordinarily be deductible in computing its taxable income subject also to all other limitations under the Tax Act. To the extent that such a deduction is available, private corporations (as defined in the Tax Act) and certain other corporations may be liable to pay refundable tax under Part IV of the Tax Act.

Under subsection 55(2) of the Tax Act, a Canadian Resident Shareholder that is a corporation may be required to treat all or a portion of any deemed dividend that is deductible in computing taxable income as proceeds of disposition and not as a dividend, generally in circumstances where the Canadian Resident Shareholder would have realized a capital gain if it disposed of any Share at fair market value immediately before the sale of Shares to the Corporation and the sale to the Corporation resulted in a significant reduction in such capital gain. The application of subsection 55(2) involves a number of factual considerations that will differ for each Canadian Resident Shareholder, and a Canadian Resident Shareholder to whom it may be relevant is urged to consult its own tax advisors concerning its application having regard to its particular circumstances.

The amount paid by IPC under the Offer for the Shares less any amount deemed to be received by the Canadian Resident Shareholder as a dividend (after the application of subsection 55(2) in the case of a corporate Canadian Resident Shareholder) will be treated as proceeds of disposition of the Shares. The Canadian Resident Shareholder will realize a capital gain (or capital loss) on the disposition of the Shares equal to the amount by which the Canadian Resident Shareholder's proceeds of disposition, net of any costs of disposition, exceed (or are less than) the adjusted cost base to the Canadian Resident Shareholder of the Shares sold to IPC pursuant to the Offer.

The amount of any deemed dividend received by Euroclear Shareholders will be subject to Canadian withholding tax at a rate of 25%, irrespective of whether any such Shareholder is a Canadian Resident Shareholder. A Canadian Resident Shareholder that is a Euroclear Shareholder would therefore be subject to the Canadian domestic tax considerations described in this section and Canadian withholding tax in respect of the receipt of any deemed dividend, representing a form of initial double taxation. A Canadian Resident Shareholder who is subjected to Canadian withholding tax in respect of such deemed dividend may apply to the CRA for a refund of such Canadian withholding tax deducted from the amount paid by IPC

for the Shares and remitted to the CRA by completing and attaching CRA form NR7-R "Application for a Refund of Part XIII Tax Withheld" to their income tax return for the year of payment to claim a credit for any income tax withheld. No assurances can be given that a Canadian Resident Shareholder applying for a refund of any excess withholding tax will receive the refund from the CRA. Such Canadian Resident Shareholders should consult with their tax advisors to determine whether they are eligible for a refund of such Canadian withholding taxes and the process for completing CRA form NR7-R to claim such amount.

#### Taxation of Capital Gains and Losses

Generally, a Canadian Resident Shareholder will be required to include in computing its income for a taxation year one-half of any capital gain (a "taxable capital gain") realized by it in that year. Subject to and in accordance with the provisions of the Tax Act, a Canadian Resident Shareholder must 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 Canadian Resident Shareholder in that year, and any excess may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years.

The amount of a capital loss realized on the disposition of a Share by a Canadian Resident Shareholder that is a corporation may, to the extent and under the circumstances specified in the Tax Act, be reduced by the amount of dividends received or deemed to be received on the Shares (including any dividends deemed to be received as a result of the sale of Shares to the Corporation pursuant to the Offer). Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Shares, directly or indirectly, through a partnership or trust. Canadian Resident Shareholders who may be affected by these rules are urged to consult with their own tax advisors in this regard.

A Canadian Resident Shareholder who is an individual (other than a trust) may have all or a portion of any capital loss on the sale of Shares under the Offer denied if the "superficial loss" rules in the Tax Act apply. This may arise where the Canadian Resident Shareholder (or a person affiliated with the Canadian Resident Shareholder for purposes of the Tax Act) acquires additional Shares in the period commencing 30 days prior to, and ending 30 days after, the disposition of the Shares under the Offer. Canadian Resident Shareholders are urged to consult their own tax advisors with respect to the "superficial loss" rules.

Similarly, a Canadian Resident Shareholder that is a corporation or trust may have all or a portion of any capital loss on the sale of the Shares pursuant the Offer suspended if it (or a person affiliated with it for purposes of the Tax Act) acquires additional Shares in the period commencing 30 days prior, and ending 30 days after, the disposition of Shares pursuant to the Offer. A Canadian Resident Shareholder that is a corporation or trust is urged to consult its own tax advisors with respect to the "suspended loss" rules.

A Canadian Resident Shareholder that is a Canadian-controlled private corporation throughout the year (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" for the year, which is defined to include an amount in respect of taxable capital gains (but not dividends, or deemed dividends, that are deductible in computing taxable income). Tax Proposals announced by the Minister of Finance on April 7, 2022 are intended to extend this additional tax and refund mechanism in respect of "aggregate investment income" to "substantive CCPCs" as defined in the Tax Proposals announced on April 7, 2022. The complete legislation for such Tax Proposals has yet to be released. Canadian Resident Shareholders are advised to consult their personal tax advisors.

#### Alternative Minimum Tax

A capital gain realized, or a dividend received (or deemed to be received) by a Canadian Resident Shareholder who is an individual, including a trust (other than certain specified trusts), as a result of the sale of Shares pursuant to the Offer may give rise to a liability for alternative minimum tax. Such Canadian Resident Shareholders should consult their own tax advisors with respect to the alternative minimum tax rules set out in the Tax Act.

## Non-Canadian Resident Shareholders

The following portion of the summary is, subject to the discussion under "General" above, applicable to a Shareholder who, for purposes of the Tax Act and at all relevant times: (i) is not resident or deemed to be resident in Canada, (ii) does not use or hold, and is not deemed to use or hold, its Shares in connection with carrying on a business in Canada, (iii) deals at arm's length with, and is not affiliated with, IPC, and (iv) is not an insurer that carries on an insurance business in Canada and elsewhere (referred to in this part as a "Non-Canadian Resident Shareholder").

A Non-Canadian Resident Shareholder who sells Shares to IPC pursuant to the Offer will be deemed to receive a dividend equal to the excess of the amount paid by IPC for the Shares over their paid-up capital for Canadian income tax purposes. For these purposes, IPC estimates that the paid-up capital per Share on the date hereof is approximately CDN\$3.00 (and following the Non-Euroclear Expiration Date, IPC will advise Shareholders of any material change to this estimate). As a result, IPC expects that Non-Canadian Resident Shareholders who sell Shares pursuant to the Offer will be deemed to receive a dividend for purposes of the Tax Act. The exact quantum of the deemed dividend cannot be guaranteed.

Any such deemed dividend received by a Non-Canadian Resident Shareholder will (i) if such Shareholder is a Euroclear Shareholder, be subject to Canadian withholding tax at a rate of 25%, irrespective of whether any such Shareholder is entitled to the benefits of an applicable income tax treaty or convention or (ii) if such Shareholder is a Non-Euroclear Shareholder, be subject to Canadian withholding tax at a rate of 25% or such lower rate as may be substantiated under the terms of an applicable income tax treaty or convention.

A Non-Canadian Resident Shareholder (including a Euroclear Shareholder) who is subject to such Canadian withholding tax and is entitled to a reduced rate of Canadian withholding tax pursuant to an income tax treaty or convention may apply to the CRA for a refund of any excess Canadian withholding tax deducted from the amount paid by IPC for the Shares and remitted to the CRA by submitting the completed CRA form NR7-R "Application for a Refund of Part XIII Tax Withheld" no later than two years after the end of 2022 (i.e. by December 31, 2024). No assurances can be given that such a Shareholder applying for a refund of any excess withholding tax will receive the refund from the CRA. In this connection a Non-Canadian Resident Shareholder (including a Euroclear Shareholder) that is a resident of Sweden for the purposes of the *Convention between Canada and Sweden for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income* (referred to in this part as the "**Swedish Treaty**"), is eligible for benefits under the Swedish Treaty, and is the beneficial owner of such dividends will generally be entitled to a treaty-reduced rate of Canadian withholding tax of 15% (or 5% if the beneficial owner of the dividends is a company that controls at least 10% of the voting power of the Corporation, or that holds directly at least 25% of the capital in the Corporation).

Non-Canadian Resident Shareholders (including Euroclear Shareholders) should consult with their tax advisors to determine whether they are eligible for a reduced withholding tax rate on deemed dividends received from the Corporation under an applicable income tax treaty or convention and the process for completing CRA form NR7-R to claim a refund of any excess withholding tax deducted. The *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting ("MLI")*, of which Canada is a signatory, affects many of Canada's bilateral tax treaties (including the Swedish Treaty) and the ability to claim benefits thereunder. Non-Canadian Resident Shareholders should consult their own tax advisors regarding the potential application of any relevant income tax treaty or convention (including the Swedish Treaty) and the MLI based on their particular circumstances, including to determine whether they are eligible to apply to the CRA for a refund of any excess withholding tax.

The amount paid by IPC for the Shares (less any amount deemed to be received by the Non-Canadian Resident Shareholder as a dividend) will be treated as proceeds of disposition of the Shares. A Non-Canadian Resident Shareholder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of Shares pursuant to the Offer unless the Shares are "taxable Canadian property" to the Non-Canadian Resident Shareholder at the time of such sale and such gain is not otherwise exempt from tax under the Tax Act pursuant to the provisions of an applicable income tax treaty or

convention (if any). Generally, provided the Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX and the Nasdaq Stockholm) at the time of disposition, the Shares will not constitute taxable Canadian property to a Non-Canadian Resident Shareholder, unless, at any time during the 60-month period immediately preceding the disposition, (a) the Non-Canadian Resident Shareholder, persons with whom the Non-Canadian Resident Shareholder did not deal at arm's length, partnerships in which the Non-Canadian Resident Shareholder or such non-arm's length persons holds a membership interest directly or indirectly, or the Non-Canadian Resident Shareholder together with all such foregoing persons, owned 25% or more of the issued Shares or any other issued class of IPC's shares AND (b) more than 50% of the fair market value of the Shares was derived directly or indirectly from any one or combination of (i) real or immovable property situated in Canada, (ii) Canadian resource properties, (iii) timber resource properties, and (iv) options in respect of, or interests in, or for civil law rights in, property described in any of (i) to (iii), whether or not that property exists. A Share may also be deemed to be taxable Canadian property to a Non-Canadian Resident Shareholder in certain circumstances specified in the Tax Act.

Even if a Share is taxable Canadian property to a Non-Canadian Resident Shareholder, any gain realized on a disposition of the Share may be exempt from tax under the Tax Act pursuant to the provisions of an applicable income tax treaty or convention (if any). Non-Canadian Resident Shareholders should consult their own tax advisors in this regard.

In the event a Share is taxable Canadian property to a Non-Canadian Resident Shareholder at the time of disposition and the capital gain realized on disposition of the Share is not exempt from tax under the Tax Act pursuant to the provisions of an applicable income tax treaty or convention, the tax consequences in respect of capital gains described above under "Shareholders Resident in Canada — Taxation of Capital Gains and Losses" will generally apply.

**Having regard to the deemed dividend tax treatment described above resulting from a sale of Shares pursuant to the Offer and the resulting Canadian withholding tax, Non-Canadian Resident Shareholders should consult their own tax advisors regarding selling their Shares in the market as an alternative to selling Shares pursuant to the Offer.**

## **Certain Swedish Tax Considerations**

### **Shareholder resident in Sweden (holding Shares directly)**

#### If the Shareholder keeps all the Shares

No income tax implications will arise if the Shareholder does not deposit Shares pursuant to the Offer.

#### If the Shareholder sells its Shares on the open market

If the Shareholder is considered fully liable to pay tax (*Sw. obegränsat skattskyldig*) in Sweden, the sale of Shares on the open market, such as on Nasdaq Stockholm, will be considered a sale of Shares (*Sw: avyttring*) for Swedish tax purposes.

As such, the difference between the sale price and the acquisition price of the Shares will constitute a capital gain or a capital loss from a Swedish tax perspective which is taxed as capital income. Any capital gains are taxed at a flat rate of 30% for listed shares. If the sale of the Shares would result in a capital loss, the Shareholder may deduct 70% (main rule) of the losses with the filing of the Shareholder's annual tax return that year. Capital losses may be offset in full against capital gains from listed shares which has been sold during the same calendar year.

The acquisition price of the Shares should be equal to the price which the Shareholder has paid for the Shares. If the Shareholder has acquired Shares on multiple occasions, the average acquisition price, as calculated by the average acquisition method (*Sw: genomsnittsmetoden*), should be utilized as the

acquisition price. The average acquisition price is calculated by applying the average price of all the Shares which have been acquired in IPC by the Shareholder. It should be noted that there is an alternative rule (*Sw. schablonregeln*) which may be applied if the acquisition price of the Shares is vastly lower than the Purchase Price. According to this rule, the acquisition price is set at 20% of the sales price on the Shares. This method can be applied if the acquisition price of the Shares is unknown or if the acquisition price is lower than 20% of the sales price of the sold Shares.

The reporting of the capital gain/loss from the sale of the Shares should be included on the form K4 which is filed together with the Shareholder's tax return.

If the Shares are held via an investment savings account (*Sw. investeringssparkonto*, "ISK") the basis for the tax on the ISK is calculated on the capital base on the ISK account during the income year. The capital base is subject to ISK taxation at a rate which is based on the government borrowing rate (*Sw. statslåneränta*) + 1% to a lower limit of 1.25%. For the income year 2022, 1.25% of the capital base is subject to a tax rate of 30%, where the effective tax rate on the ISK would amount to 0.375% of the capital base. Moreover, if the Shares are held via an ISK account, the Shareholder will not be taxed on the sale of Shares and won't have to file a K4 form.

No withholding tax will be withheld on the sales price received by the Shareholder.

#### If the Shareholders sells its Shares through the Offer

The deemed dividend portion of the Purchase Price ultimately paid to Shareholders who (directly or indirectly) hold Shares through Euroclear Sweden will be reduced by an amount equal to the withholding tax of 25% which is withheld in accordance with Canadian tax legislation.

If the Shareholder is considered fully liable to tax (*Sw. obegränsat skattskyldig*) in Sweden, the purchase of the Shares by IPC will be considered a sale of Shares (*Sw: avyttring*) for Swedish tax purposes.

As such, the difference between the Purchase Price and the acquisition price of the Shares will constitute a capital gain or a capital loss from a Swedish tax perspective which is taxed as capital income. Any capital gains are taxed at a flat rate of 30% for listed shares. If the sale of the Shares would result in a capital loss, the Shareholder may deduct 70% (main rule) of the losses with the filing of the Shareholder's annual tax return that year. Capital losses may be offset in full against capital gains from listed shares which has been sold during the same calendar year.

The acquisition price of the Shares should be equal to the price which the Shareholder has paid for the Shares. If the Shareholder has acquired Shares on multiple occasions, the average acquisition price, as calculated by the average acquisition method (*Sw: genomsnittsmetoden*), should be utilized as the acquisition price. The average acquisition price is calculated by applying the average price of all the Shares which have been acquired in IPC by the Shareholder. It should be noted that there is an alternative rule (*Sw. schablonregeln*) which may be applied if the acquisition price of the Shares is vastly lower than the Purchase Price. According to this rule, the acquisition price is set at 20% of the sales price on the Shares. This method can be applied if the acquisition price of the Shares is unknown or if the acquisition price is lower than 20% of the sales price of the sold Shares.

The reporting of the capital gain/loss from the sale of the Shares should be included on the form K4 which is filed together with the Shareholder's tax return.

If the Shares are held via an investment savings account (*Sw. investeringssparkonto*, "ISK") the basis for the tax on the ISK is calculated on the capital base on the ISK account during the income year. The capital base is subject to ISK taxation at a rate which is based on the government borrowing rate (*Sw. statslåneränta*) + 1% to a lower limit of 1.25%. For the income year 2022, 1.25% of the capital base is subject to a tax rate of 30%, where the effective tax rate on the ISK would amount to 0.375% of the capital base. Moreover, if the Shares are held via an ISK account, the Shareholder will not be taxed on the sale of Shares and won't have to file a K4 form.

### Canadian withholding tax

The Purchase Price awarded to Canadian non-residents and all Shareholders who (directly or indirectly) hold Shares through Euroclear Sweden will be subject to withholding tax in accordance with Canadian tax legislation of the portion of the Purchase Price constitutes deemed dividends from a Canadian tax perspective. As such, a portion of the Purchase Price will be subject to Canadian withholding tax at a rate of 25%.

If tax has been withheld on the Purchase Price in accordance with Canadian tax legislation, the Shareholder should file a claim with its annual tax return to claim a tax credit (*Sw. avräkning för utländsk skatt*) for the withholding tax which has been withheld on the Purchase Price. The Shareholder may then be entitled to a tax credit of an amount up to the Swedish tax which is due on the capital income. If the total withholding tax exceeds this amount, the outstanding tax credit may be carried forward and saved for the following 5 years. If the Swedish Tax Agency were to deny a claim for a tax credit, the Shareholder should claim that the withholding tax is reported as a deduction, price adjustment of the acquisition cost or similar, to ensure that the Canadian withholding tax is accounted for in Sweden.

It should be noted that in accordance with Swedish law, a Shareholder may not claim a tax credit on foreign tax for an amount which exceeds the tax which may be withheld on the income in accordance with the double tax treaty between Sweden and the other country. As the double tax treaty between Sweden and Canada stipulates that tax at a rate of 15% may be withheld on the capital income, the difference between the withholding tax rate of 25% and the tax rate of 15% of 10% (25% - 15%) could not be claimed as a tax credit with the Swedish tax return filing.

In theory, the Shareholder may have a legal right to reclaim the outstanding Canadian withholding tax pursuant to the double tax treaty. In order to file the claim, the Shareholder will have to file an application for Refund (form NR7-R "Application for a Refund of Part XIII Tax Withheld") together with an affidavit or certificate of tax withheld from their accounts in the CDS or similar in order to have the overpaid tax refunded. The form must be filed no later than two years after the end of 2022 (i.e., by December 31, 2024). It can not be guaranteed that the supporting documentation to be attached with the form will be provided to the Shareholders, nor that the Canadian authorities will accept the claim for any overpaid taxes. Further the Shareholder will bear its individual costs relating to the process of filing the claim for refund with the Canadian tax authorities. For additional details, see Section 14 of the Circular, "*Tax Considerations – Certain Canadian Federal Income Tax Considerations – Non-Canadian Resident Shareholders*".

**Having regard to the deemed dividend tax treatment described above resulting from a sale of Shares pursuant to the Offer and the resulting Canadian withholding tax, Swedish Resident Shareholders should consult their own tax advisors regarding selling their Shares in the market as an alternative to selling Shares pursuant to the Offer.**

#### **Shareholder resident in Sweden (holding Shares indirectly)**

##### If the Shareholder keeps all the Shares

No income tax implications will arise if the Shareholder does not deposit Shares pursuant to the Offer.

##### If the Shareholder sells its Shares on the open market

For limited companies that are subject to unlimited tax liability in Sweden, all income, including taxable capital gains and dividends, is taxed as business income at a rate of 20.6% as of 1 January 2021. The capital gain and capital loss are calculated on the basis of the difference between the cost amount (*Sw. omkostnadsbelopp*) of the Shares and the amount received for the sold Shares. Deductions for capital

losses on shares are only allowed against capital gains on shares and other securities that are taxed as shares. A capital loss that cannot be utilized during a given income year may be carried forward and be offset against taxable capital gains on shares and other equity-related securities during subsequent income years, without limitation in time. However, it can be noted that special tax rules may apply to certain categories of companies or certain legal entities, such as mutual funds or special funds and investment companies.

No withholding tax will be withheld on the sales price received by the Shareholder.

#### If the Shareholders sells its Shares via the Offer to Purchase

The deemed dividend portion of the Purchase Price ultimately paid to Shareholders who (directly or indirectly) hold Shares through Euroclear Sweden will be reduced with an amount equal to the withholding tax of 25% which is withheld in accordance with Canadian tax legislation.

If the Shareholder is considered fully liable to tax in Sweden and is holding its Shares via a Swedish limited company (Sw. *aktiebolag*) which is fully liable to tax in Sweden, the purchase of the Shares will be considered a sale of Shares for Swedish tax purposes.

As such, the difference between the Purchase Price and the acquisition price of the Shares will constitute a capital gain or a capital loss from a Swedish tax perspective which is taxed as business income. Deductions for capital losses on shares are generally only allowed against capital gains on shares and other securities that are taxed as shares.

A capital loss that cannot be utilized during a given income year may be carried forward and may be offset against taxable capital gains on shares and other equity-related securities during subsequent income years, without limitation in time. However, it can be noted that special tax rules may apply to certain categories of companies or certain legal entities, such as mutual funds or special funds and investment companies.

#### Canadian withholding tax

The Purchase Price awarded to Canadian non-residents may be subject to withholding tax in accordance with Canadian tax legislation if a portion of the Purchase Price constitutes deemed dividends from a Canadian tax perspective, this portion of the Purchase Price will be subject to Canadian withholding tax at a rate of 25% or at a lower rate of 15% as substantiated under the terms of the double tax treaty agreement between Sweden and Canada.

A Shareholder fully liable to tax in Sweden will have a possibility to claim a tax credit for Canadian withholding tax that has been withheld in accordance with the tax treaty. To be able to claim a tax credit the general prerequisites must be fulfilled, e.g., the Corporation must be fully liable to tax in Sweden, the income must be subject to taxation under the Income Tax Act in Sweden as well as considered taxable income in the foreign state and that foreign income tax must be paid and deemed as a final tax.

Further, the Swedish taxpayer must have a sufficient threshold amount (Sw. *spärrbelopp*). The credit is claimed in connection with the tax return.

It should be noted that in accordance with Swedish law, a Shareholder may not claim a tax credit on foreign tax for an amount which exceeds the tax which may be withheld on the income in accordance with the double tax treaty between Sweden and the other country. As the double tax treaty between Sweden and Canada stipulates that tax at a rate of 15% may be withheld on the capital income, the difference between the withholding tax rate of 25% and the tax rate of 15% of 10% (25% - 15%) could not be claimed as a tax credit with the Swedish tax return filing.

In theory, the Shareholder may have a legal right to reclaim the outstanding Canadian withholding tax pursuant to the double tax treaty. In order to file the claim, the Shareholder will have to file an application

for Refund (form NR7-R "Application for a Refund of Part XIII Tax Withheld") together with an affidavit or certificate of tax withheld from their accounts in the CDS or similar in order to have the overpaid tax refunded. The form must be filed no later than two years after the end of 2022 (i.e., by December 31, 2024). It can not be guaranteed that the supporting documentation to be attached with the form will be provided to the Shareholders, nor that the Canadian authorities will accept the claim for any overpaid taxes. Further the Shareholder will bear its individual costs relating to the process of filing the claim for refund with the Canadian tax authorities. For additional details, see Section 14 of the Circular, "*Tax Considerations – Certain Canadian Federal Income Tax Considerations – Non-Canadian Resident Shareholders*".

**Having regard to the deemed dividend tax treatment described above resulting from a sale of Shares pursuant to the Offer and the resulting Canadian withholding tax, Swedish Resident Shareholders should consult their own tax advisors regarding selling their Shares in the market as an alternative to selling Shares pursuant to the Offer.**

### **United States Tax Considerations**

Shareholders should be aware that acceptance of this Offer may have tax consequences under U.S. tax laws. The U.S. tax consequences for Shareholders who are resident in, or citizens of, the United States (or who are otherwise subject to U.S. taxation) are not described herein and such residents and citizens are urged to consult their tax advisors as to the application of U.S. tax law to them. Cash proceeds received by a Shareholder under the Offer may be subject to certain information reporting and withholding taxes. See the Letter of Transmittal for information regarding the procedure for a Shareholder to provide the Corporation with the U.S. Shareholder's taxpayer identification number.

**SHAREHOLDERS THAT ARE SUBJECT TO U.S. TAX SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES TO THEM OF ACCEPTING THE OFFER, INCLUDING TAX RETURN REPORTING REQUIREMENTS, WITHHOLDING TAX RULES, THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, AND LOCAL TAX LAWS, AND THE EFFECT OF ANY PROPOSED CHANGES IN APPLICABLE TAX LAWS.**

### **15. Legal Matters and Regulatory Approvals**

Blake, Cassels and Graydon LLP acted as Canadian counsel to IPC in connection with the Offer, while Gernandt & Danielsson Advokatbyrå KB acted as Swedish counsel to IPC in connection with the Offer. Skeppsbron Skatt AB advised IPC on Swedish tax matters in connection with the Offer.

We are not aware of any license or regulatory permit that is material to our business that might be adversely affected by our acquisition of Shares pursuant to the Offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency in any jurisdiction, that would be required for the acquisition of Shares by us pursuant to the Offer and that has not been obtained on or before the date hereof. Should any such approval or other action be required, we currently contemplate that such approval will be sought or other action will be taken. We cannot predict whether we may determine that we must delay the acceptance for payment of Shares deposited pursuant to the Offer pending the outcome of any such matter.

There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that the failure to obtain any such approval or other action might not result in adverse consequences to our business.

We are relying on the "liquid market exemption" specified in MI 61-101. Accordingly, the valuation requirements of securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

Our obligations pursuant to the Offer to take up and pay for Shares are subject to certain conditions. See Section 8 of the Offer to Purchase, "*Conditions of the Offer*".

## **16. Source of Funds**

The Corporation expects to fund any purchases of Shares pursuant to the Offer, including related fees and expenses, using the Corporation's available cash on hand.

## **17. Canadian Dealer Manager**

BMO Capital Markets has been retained to serve as Canadian Dealer Manager for the Offer. BMO Capital Markets has also been retained as financial advisor in connection with the Offer and to provide the Liquidity Opinion. The Canadian Dealer Manager may communicate with investment dealers, stock brokers, commercial banks, trust companies and dealers with respect to the Offer.

BMO Capital Markets and its affiliates have provided, and may in the future provide, various investment banking, commercial banking and other services to us, for which they have received, or we expect they will receive, customary compensation from us.

In the ordinary course of business, including in their trading and brokerage operations and in a fiduciary capacity, BMO Capital Markets and its affiliates may hold positions, both long and short, for their own accounts and for those of their customers, in our securities. BMO Capital Markets may from time to time hold Shares in their proprietary accounts, and, to the extent they own Shares in these accounts at the time of the Offer, BMO Capital Markets may tender some or all of such Shares pursuant to the Offer.

## **18. Canadian Depositary and Swedish Issuing Agent**

We have appointed Computershare Investor Services Inc. to act as the Canadian Depositary for, among other things: (i) the receipt of certificates representing Shares and related Letters of Transmittal deposited pursuant to the Offer; (ii) the receipt of Notices of Guaranteed Delivery delivered pursuant to the procedures for guaranteed delivery set forth in Section 5 of the Offer to Purchase, "*Procedure for Depositing Shares – Non-Euroclear Shareholders*"; (iii) the receipt from us of cash to be paid in consideration of the Shares acquired by us pursuant to the Offer, as agent for the depositing Non-Euroclear Shareholders; and (iv) the transmittal of such cash to the depositing Non-Euroclear Shareholders, as agent for the depositing Non-Euroclear Shareholders. The Canadian Depositary may contact Non-Euroclear Shareholders by mail, telephone or email and may request stock brokers, dealers and other nominee Non-Euroclear Shareholders to forward materials relating to the Offer to beneficial owners.

We have appointed Pareto Securities AB and its wholly-owned subsidiary, Aktieinvest FK AB, to act as the Swedish Manager and the Swedish Issuing Agent, respectively, for, among other things: (i) the receipt of documentation evidencing Shares and related Euroclear Sweden Tender Forms deposited pursuant to the Offer; (ii) the receipt of cash to be paid in consideration of the Shares acquired by us pursuant to the Offer, as agent for the depositing Euroclear Shareholders; and (iii) the transmittal of such cash to the depositing Euroclear Shareholders, as agent for the depositing Euroclear Shareholders. The Swedish Issuing Agent may contact Euroclear Shareholders by mail, telephone or email and may request stock brokers, dealers and other nominee Euroclear Shareholders forward materials relating to the Offer to beneficial owners.

## **19. Fees and Expenses**

BMO Capital Markets will receive fees from us for their services as Canadian Dealer Manager and financial advisor in connection with the Offer, as well as in connection with the Liquidity Opinion. The fees payable to BMO Capital Markets are not contingent upon the conclusions reached by it in the Liquidity Opinion. We have agreed to reimburse BMO Capital Markets for certain reasonable out-of-pocket expenses incurred in connection with the Offer and to indemnify BMO Capital Markets against certain liabilities to which they may become subject as a result of their engagement, including liabilities under applicable securities laws.

We have retained Computershare Investor Services Inc. and Aktieinvest FK AB to act as the Canadian Depositary and the Swedish Issuing Agent, respectively. The Canadian Depositary and the Swedish Issuing

Agent will each receive reasonable and customary compensation for its services, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection with the Offer, including certain liabilities under applicable securities laws.

No person has been retained by or on behalf of IPC to make solicitations in respect of the Offer and we will not pay any fees or commissions to any stock broker or dealer or any other person for soliciting deposits of Shares pursuant to the Offer. Stock brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by us for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

We expect to incur expenses of approximately CDN\$1.2 million (equivalent to approximately SEK 9.27 million) in connection with the Offer, which includes filing, dealer manager, advisory, legal, translation, accounting, depository and printing fees, as well as the fees payable by us in connection with the Liquidity Opinion.

## **20. Canadian Statutory Rights**

Securities legislation in the provinces and territories of Canada provides Shareholders with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to Shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

## **21. Valuation**

We are relying on the "liquid market exemption" specified in MI 61-101. Accordingly, the valuation requirements of securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

To our knowledge and the knowledge of our directors and senior officers, after reasonable inquiry, no prior valuation (as such term is defined in MI 61-101) regarding us, our securities or our material assets has been made in the 24 months before the date of the Offer.

## APPROVAL AND CERTIFICATE

May 11, 2022

The Board of Directors of International Petroleum Corporation has approved the contents of the Offer to Purchase and the accompanying Circular dated May 11, 2022 and have authorized the delivery thereof to Shareholders. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

By: (signed) Mike Nicholson  
Mike Nicholson  
Chief Executive Officer

By: (signed) Christophe Nerguararian  
Christophe Nerguararian  
Chief Financial Officer

On behalf of the Board of Directors

By: (signed) C. Ashley Heppenstall  
C. Ashley Heppenstall  
Chair of the Board of Directors

By: (signed) Christiaan Bruijnzeels  
Christiaan Bruijnzeels  
Director

**CONSENT OF BMO NESBITT BURNS INC.**

TO: The Board of Directors of International Petroleum Corporation

We hereby consent to the references to our firm name and to the reference to our Liquidity Opinion dated May 2, 2022 contained on the cover page and under the headings "*Summary*", "*Conditions of the Offer*", "*Purpose and Effect of the Offer*", "*Canadian Dealer Manager*" and "*Fees and Expenses*" in the Offer to Purchase and Circular of International Petroleum Corporation dated May 11, 2022 (the "**Circular**"), and to the inclusion of the text of our opinion dated May 2, 2022 as Schedule "A" to the Circular. Our Liquidity Opinion was given as at May 2, 2022 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the directors of International Petroleum Corporation will be entitled to rely upon our opinion.

May 11, 2022

(signed) *BMO Nesbitt Burns Inc.*

**SCHEDULE A – LIQUIDITY OPINION OF BMO NESBITT BURNS INC.**

(attached)

May 2, 2022

The Board of Directors  
International Petroleum Corporation  
Suite 2000  
885 West Georgia Street  
Vancouver, BC  
V6C 3E8, Canada

To the Board of Directors:

BMO Nesbitt Burns Inc. (“BMO Capital Markets” or “we” or “us”) understands that International Petroleum Corporation (the “Company”) intends to make an offer by way of a substantial issuer bid (the “Substantial Issuer Bid”) pursuant to which the Company would offer to acquire that number of Common Shares of the Company (the “Shares”) having an aggregate purchase price not exceeding C\$128 million in cash by way of a modified Dutch auction at a price not in excess of C\$14.00 per Share nor less than C\$12.00 per Share. BMO Capital Markets also understands that the terms and conditions of the Substantial Issuer Bid will be set forth in an offer to purchase and issuer bid circular to be issued by the Company (the “Offer to Purchase”) and the related letter of transmittal, notice of guaranteed delivery and other documents relating to the Substantial Issuer Bid (collectively, the “Offer Documents”) which will be mailed to the holders of the Shares in connection with the Substantial Issuer Bid. The terms used herein that are used or defined in the Offer to Purchase and not otherwise defined herein will have the same meaning as used in the Offer to Purchase.

We have been retained by the Company to act as its financial advisor and dealer manager in Canada in connection with the Substantial Issuer Bid pursuant to an engagement letter dated April 29, 2021 (the “Dealer Manager Engagement”), and to prepare and deliver to the Board of Directors of the Company (the “Board”) BMO Capital Markets’ opinion (the “Opinion”) as to whether, as of the date hereof, (i) a liquid market, as defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), exists for the Shares as at the date the Substantial Issuer Bid is publicly announced, and (ii) it is reasonable to conclude that, following completion of the Substantial Issuer Bid in accordance with its terms, there will be a market for holders of Shares who do not tender to the Substantial Issuer Bid that is not materially less liquid than the market that existed at the time of the making of the Substantial Issuer Bid. The Board has, on a voluntary basis, obtained the Opinion from BMO Capital Markets notwithstanding that such opinion is not required pursuant to MI 61-101. This Opinion is not an opinion referred to in paragraph (b) of subsection 1.2(1) of MI 61-101. As dealer manager, BMO Capital Markets is not independent of the Company in connection with the Substantial Issuer Bid for purposes of MI 61-101.

BMO Capital Markets and certain of our affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the Shares or other securities of the Company, or any of its associates or affiliates, and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of our affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to the Company, its associates or affiliates, or the Substantial Issuer Bid. In addition, Bank of Montreal (“BMO”), of which BMO Capital Markets is a wholly owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services to the Company or its associates or affiliates in the ordinary course of business.

## ENGAGEMENT OF BMO CAPITAL MARKETS

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BMO Capital Markets was engaged by the Company to act as its financial advisor and dealer manager in Canada pursuant to the Dealer Manager Engagement. The terms of the Dealer Manager Engagement provide that BMO Capital Markets is to be paid a fee for its services as financial advisor and dealer manager, including the delivery of the Opinion. In addition, BMO Capital Markets is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Company in certain circumstances. BMO Capital Markets consents to the inclusion of the Opinion in its entirety and a summary thereof in the Offer to Purchase to be mailed to holders of Shares and to the filing of the Opinion, as necessary, by the Company with the securities commissions or similar regulatory authorities in each province and territory of Canada.

## CREDENTIALS OF BMO CAPITAL MARKETS

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BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors.

The Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of our officers who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, opinion and capital markets matters.

## SCOPE OF REVIEW

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In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1. a draft of the Offer to Purchase dated April 27, 2022;
2. the trading activity, volumes, and price history of the Shares on the Toronto Stock Exchange, Nasdaq Stockholm Exchange and other alternative trading venues as we deemed appropriate;
3. the distribution and ownership of the Shares, to the extent publicly disclosed or provided to us by the Company;
4. the number of Shares issued and outstanding;
5. the number of Shares proposed to be purchased under the Substantial Issuer Bid relative to (i) the total number of Shares issued and outstanding less (ii) the number of Shares owned by related parties of the Company and Shares or blocks thereof, that are known to us, that could be considered as not being freely tradable (the "public float");
6. the current size and market value of the Company's public float;
7. certain public information with respect to the Company, including quarterly and annual financial reports, supplemental information and management information circulars;
8. other public information with respect to the Company and the Shares;
9. the definition of "liquid market" as outlined in MI 61-101 and certain other parameters in MI 61-101;

10. certain precedent issuer bids that we considered relevant;
11. discussions with senior management of the Company and Blake, Cassels & Graydon LLP, external legal counsel to the Company; and
12. such other information, including corporate, industry, and financial market information, investigations and analyses as BMO Capital Markets considered necessary or appropriate in the circumstances.

#### ASSUMPTIONS AND LIMITATIONS

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We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources or provided to us by or on behalf of the Company or otherwise obtained by us in connection with our engagement (the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, and have not attempted to or assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information.

In preparing the Opinion, we have assumed that the final Offer Documents will not differ in any material respect from the drafts that we reviewed, and that the Substantial Issuer Bid will be consummated in accordance with the terms and conditions of the Offer to Purchase without waiver of, or amendment to, any term or condition. We have also assumed that there will be no significant change in the holdings of the Shares other than as a result of the Substantial Issuer Bid.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the condition and prospects, financial and otherwise, of the Company as they are reflected in the Information and as they have been represented to BMO Capital Markets in discussions with management of the Company and its representatives. In our analyses and in preparing the Opinion, BMO Capital Markets made numerous judgments and assumptions, including with respect to industry performance, general business, market, economic, and financial conditions and other matters, many of which are beyond our control or that of any party involved in the Substantial Issuer Bid.

The Opinion is provided to the Board for its exclusive use only in determining the availability of an exemption from the formal valuation requirements of MI 61-101 (pursuant to Section 3.4(b)(i) and (ii) thereof) in connection with the Substantial Issuer Bid and may not be used or relied upon by any other person or for any other purpose without our prior written consent. The Opinion does not constitute a recommendation as to whether any holders of the Shares should tender their Shares to the Substantial Issuer Bid or in what manner or at what price. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the Offer to Purchase, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the Company or of any of its affiliates, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the value of any securities of the Company or the price at which the securities of the Company may trade at any time. BMO Capital Markets was not engaged to review any legal, tax or regulatory aspects of the Offer to Purchase and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by the Company and its legal and tax advisors with respect to such matters.

BMO Capital Markets believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of an

opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The Opinion is rendered as of the date hereof and BMO Capital Markets disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of BMO Capital Markets after the date hereof. Without limiting the foregoing, if we learn that any of the information we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, or we learn of any material change in any fact or matter affecting the Opinion, BMO Capital Markets reserves the right to change or withdraw the Opinion.

For purposes of this Opinion, the phrase “liquid market” has the meaning ascribed thereto in MI 61-101.

## CONCLUSION

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Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as of the date hereof, (i) a liquid market for the Shares exists, and (ii) it is reasonable to conclude that, following the completion of the Substantial Issuer Bid, there will be a market for holders of the Shares who do not tender to the Substantial Issuer Bid that is not materially less liquid than the market that existed at the time of the making of the Substantial Issuer Bid.

Yours truly,

(signed) *BMO Nesbitt Burns Inc.*

**BMO Nesbitt Burns Inc.**

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