



Q1

International Petroleum Corporation

***Management's Discussion
and Analysis***

Three months ended March 31, 2020



**International
Petroleum
Corp.**

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Non-IFRS Measures

References are made in this MD&A to “operating cash flow” (OCF), “free cash flow” (FCF), “Earnings Before Interest, Tax, Depreciation and Amortization” (EBITDA), “operating costs” and “net debt” which are not generally accepted accounting measures under International Financial Reporting Standards (IFRS) and do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with definitions of similar measures presented by other public companies. The Corporation uses non-IFRS measures to provide investors with supplemental measures to assess the cash generated by and the financial performance and position of the Corporation. Non-IFRS measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. The definition and reconciliation of each non-IFRS measure is presented in this MD&A. See “Non-IFRS Measures” on page 18.

Forward-Looking Statements

Certain statements contained in this MD&A 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. 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”. 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. For additional information underlying forward-looking statements, refer to the “Cautionary Statement Regarding Forward-Looking Information” on page 23.

Reserves estimates, contingent resource estimates and estimates of future net revenue in respect of IPC’s oil and gas assets in Canada (including oil and gas assets acquired in the acquisition of Granite Oil Corp.) are effective as of December 31, 2019 and are included in the reports prepared by Sproule Associates Limited (Sproule), an independent qualified reserves evaluator, in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (NI 51-101) and the Canadian Oil and Gas Evaluation Handbook (the COGE Handbook) and using Sproule’s December 31, 2019 price forecasts.

Reserve estimates, contingent resource estimates and estimates of future net revenue in respect of IPC’s oil and gas assets in France and Malaysia are effective as of December 31, 2019, and are included in the report prepared by ERC Equipoise Ltd. (ERCE), an independent qualified reserves auditor, in accordance with NI 51-101 and the COGE Handbook, and using Sproule’s December 31, 2019 price forecasts.

Certain abbreviations and technical terms used in this MD&A are defined or described under the heading “Other Supplementary Information”.

The Covid-19 virus and the restrictions and disruptions related to it, as well as the actions of certain oil and gas producing nations, have had a drastic adverse effect in 2020 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, including the Corporation’s common shares. These factors are beyond the control of the Corporation and it is difficult to assess how these, and other factors, will continue to affect the Corporation and the market price of IPC’s common shares. In light of the current situation, as at the date of this MD&A, 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. See “Risks and Uncertainties”.

Management's Discussion and Analysis

For the three months ended March 31, 2020

INTRODUCTION

This management's discussion and analysis ("MD&A") for International Petroleum Corporation ("IPC" or the "Corporation" and, together with its subsidiaries, the "Group") is dated May 6, 2020, and is intended to provide an overview of the Group's operations, financial performance and current and future business opportunities. This MD&A should be read in conjunction with IPC's unaudited interim condensed consolidated financial statements and accompanying notes for the three months ended March 31, 2020 ("Financial Statements").

Formation of and changes in the Group

In April 2017, Lundin Energy AB (then known as Lundin Petroleum AB) spun-off its oil and gas assets in Malaysia, France and the Netherlands into a newly formed company called International Petroleum Corporation and distributed the IPC shares, on a pro-rata basis, to Lundin Petroleum shareholders (the "Spin-Off").

On April 24, 2017, the Spin-Off was completed and IPC's shares commenced trading on the Toronto Stock Exchange and Nasdaq First North under the ticker symbol "IPCO". In June 2018, the shares of IPC ceased trading on Nasdaq First North and commenced trading on the Nasdaq Stockholm.

On January 5, 2018, IPC completed the acquisition of the Suffield area oil and gas assets in southern Alberta, Canada (the "Suffield Assets").

On December 1, 2018, IPC completed the sale of its non-core, non-operated gas assets in the Netherlands.

On December 14, 2018, IPC completed the acquisition of all of the issued and outstanding shares of BlackPearl Resources Inc. ("BlackPearl") by way of a plan of arrangement under the Canada Business Corporation Act (the "BlackPearl Acquisition").

On March 5, 2020, IPC completed the acquisition of all of the issued and outstanding shares of Granite Oil Corp. ("Granite") by way of a plan of arrangement under the Business Corporations Act (Alberta) (the "Granite Acquisition").

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.

Basis of Preparation

The MD&A and the Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Financial information is presented in United States Dollars ("USD"). However, as the Group operates in Europe and in Canada, certain financial information prepared by subsidiaries has been reported in Euros ("EUR") and in Canadian Dollars ("CAD"). In addition, certain costs relating to the operations in Malaysia, which are reported in USD, are incurred in Malaysian Ringgit ("MYR").

Exchange rates for the relevant currencies of the Group with respect to the US Dollar are as follows:

	March 31, 2020		March 31, 2019		December 31, 2019	
	Average	Period end	Average	Period end	Average	Year end
1 EUR equals USD	1.1023	1.0956	1.1356	1.1235	1.1196	1.1234
1 USD equals CAD	1.3434	1.4254	1.3295	1.3351	1.3270	1.2994
1 USD equals MYR	4.1799	4.3200	4.0905	4.0799	4.1422	4.0905

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Q1 2020 HIGHLIGHTS

Business Update

- In the April 2, 2020 press release, IPC revised its forecast 2020 net average production to be in the range of 30,000 to 45,000 barrels of oil equivalent (boe) per day (boepd), estimated operating costs for 2020 to be in the range of USD 12 to 13 per boe, and reductions in total forecast 2020 expenditure of between USD 125 and 190 million as compared to estimates announced at IPC's Capital Markets Day (CMD) in February 2020.
- Operational decisions that IPC has subsequently made allow it to revise the forecast 2020 expenditure reductions to between USD 175 and 190 million as compared to CMD estimates. This comprises USD 85 million in reduced capital and decommissioning expenditures and USD 90 to 105 million in reduced operating costs. As a result, IPC's forecast 2020 net average production guidance range is 30,000 to 37,000 boepd. IPC's estimated 2020 capital and decommissioning expenditures are USD 77 million and IPC's forecast 2020 operating costs are in the range of USD 140 to 155 million, resulting in estimated 2020 unit operating costs in the range of USD 12 to 13 per boe.
- Financial headroom under the current terms of IPC's existing and new credit facilities has increased to in excess of USD 100 million.
- Assuming average 2020 Brent oil prices of USD 25 per barrel and assuming Western Canadian Select (WCS) oil prices are at zero for the remainder of the year, IPC expects to utilize less than 40% of its existing financial headroom.
- In March 2020, IPC announced the completion of the Granite Acquisition, comprising light oil proved plus probable (2P) reserves of 14.0 million barrels of oil equivalent (MMboe) and 6.2 MMboe of contingent resources (best estimate, unrisks) as at December 31, 2019.

Operational and Resource Highlights

- Average net production of approximately 46,000 boepd for Q1 2020 (43% heavy crude oil, 20% light and medium crude oil and 37% natural gas).
- First quarter 2020 operating costs¹ per boe of USD 12.5, slightly ahead of Q1 2020 guidance.
- In connection with IPC's revised 2020 business plan, operational activities and capital expenditures have been reduced, deferred or cancelled in each region in response to the low oil price environment.

¹ See definition on page 23 under "Non-IFRS measures"

Financial Highlights

USD Thousands	Three months ended March 31	
	2020	2019
Revenue	80,536	147,420
Gross profit	(12,436)	46,885
Net result	(40,069)	33,142
Operating cash flow ¹	21,481	83,056
Free cash flow ¹	(42,712)	52,064
EBITDA ¹	19,009	81,675
Net Debt ¹	302,473	256,962

¹ See definition on page 18 under "Non-IFRS measures"

- Net debt increased from USD 291 million as at December 31, 2019 (including the cost of the Granite Acquisition) to USD 302.5 million as at March 31, 2020.
- Operating cash flow generation for Q1 2020 amounted to USD 21.5 million, below the original CMD guidance as a result of the weakness in commodity prices towards the end of Q1 2020. This coincided with two cargo liftings in Malaysia in March 2020 when Brent prices averaged USD 32 per bbl and the falling commodity prices also impacted the revenues in France where pricing is based on one month forward Brent prices.
- Under the previously announced share repurchase program, IPC repurchased for USD 17.6 million and cancelled approximately 4.4 million IPC shares during Q1 2020, in addition to the 3.9 million IPC shares cancelled in 2019. In order to conserve liquidity, IPC has suspended further share repurchases under the program.

Management's Discussion and Analysis

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OPERATIONS REVIEW

Business Overview

Given the extraordinary market situation that the oil and gas business is facing in response to the global Covid-19 outbreak, the resulting collapse in world oil demand, and the initial breakdown in co-operation among the OPEC+ group in dealing with the supply challenge, we have witnessed an unprecedented level of volatility and commodity price weakness during 2020.

As a result of this, IPC announced on April 2, 2020 that we are taking decisive action to reset our 2020 expenditure plans in order to maximize the financial flexibility of the Corporation.

Since that announcement, we have seen encouraging steps taken by OPEC+, G20 nations and oil producers that we are confident should remove significant supply, helping to deal with the massive demand destruction that we have witnessed as well as the inevitable inventory build. We expect that these actions should flatten the curve of inventory builds and set a course to rebalance markets in the second half of 2020 and into 2021. Governments are now beginning to consider how to remove the restrictions that have been imposed to contain the pandemic with a number of countries already starting to relax their confinement measures. Taken together with the enormous financial and fiscal stimulus packages that have been announced, IPC is confident that we can begin to look forward to brighter times ahead in a more normalized market environment and start to plan for the recovery. Clearly though, the magnitude and pace of the recovery in oil demand will be critical in reducing the uncertainty around when oil prices will recover.

Reset of 2020 CMD Business Plan

Given that IPC operates the majority of our assets, IPC has the financial and operational flexibility to react swiftly to recent events and to positively prepare the Corporation to navigate through this period of extremely low commodity prices. All remaining discretionary 2020 expenditures have been deferred or cancelled and we have built into our forecast production range the temporary curtailment of production from those fields that are not expected to generate positive cash flows at these low pricing levels. These production curtailments relate to a portion of our oil production. Our Canadian gas production is not curtailed as we currently forecast positive cash flows.

In our April 2, 2020 announcement, we revised our forecast 2020 net average production to be in the range of 30,000 to 45,000 boepd, estimated operating costs for 2020 to be in the range of USD 12 to 13 per boe, and reductions in total forecast 2020 expenditure of between USD 125 and 190 million as compared to 2020 CMD estimates.

Operational decisions that we have subsequently made allow us to revise our forecast 2020 expenditure reductions to between USD 175 and 190 million as compared to CMD estimates. This comprises USD 85 million in reduced capital and decommissioning expenditures and USD 90 to 105 million in reduced operating costs. As a result, our forecast 2020 net average production guidance range is 30,000 to 37,000 boepd. IPC's estimated 2020 capital and decommissioning expenditures are USD 77 million and IPC's forecast 2020 operating costs are in the range of USD 140 to 155 million, resulting in estimated 2020 unit operating costs in the range of USD 12 to 13 per boe. The upper end of our revised production guidance assumes that the curtailments in Canada to the end of June 2020 continue through to the end of the year, with the lower end of the range assuming full curtailment of our Canadian oil production in the second half of 2020. We retain the flexibility to ramp production back up during the second half of 2020 should market conditions improve.

Maximizing Financial Flexibility

Having reset our 2020 business plan, we have also been very active in engaging with our banks to ensure that we can maximize our financial flexibility. As at the end of the first quarter 2020, we had available liquidity headroom of around USD 90 million under our existing international and Canadian credit facilities. We commenced discussions with our international banking partners to potentially extend the maturity of and increase our existing reserves-based lending (RBL) credit facility as we do not believe that this was fully maximized under previous conditions. In parallel, we have been exploring IPC's ability to access some of the special financial assistance packages being offered by the government authorities in France.

I am very pleased to report a positive outcome on the latter. We have been able to secure a EUR 13 million credit facility from a French financial institution under this program. The credit facility has an initial term of 12 months and is extendable by IPC for up to a further five years. The credit facility is unsecured and is on less expensive terms than IPC's existing credit facilities.

In Canada, we have also commenced discussions with our banking partners. Our primary Canadian RBL facility is currently sized at CAD 375 million and we have drawn CAD 297 million at the end of the first quarter. Whilst our RBL redetermination discussions are not expected to be completed until later in Q2 2020, we have been encouraged by the financial support package that has been announced by the Canadian Federal Government, through Export Development Canada (EDC). This program aims to support the oil and gas sector by maintaining liquidity during the crisis, through the form of guarantees provided by EDC in respect of RBL facilities. Our CAD 42.5 million facility assumed as part of the Granite Acquisition is not up for review until the year end. This is currently drawn at CAD 40 million.

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In addition, IPC has the benefit of a hedging program in Canada in place through to the end of June 2020, that is expected to provide a minimum average realized WCS price of approximately USD 16 per bbl on our curtailed oil production levels in Canada during Q2 2020.

We retain access to financial headroom under the current terms of our existing and new credit facilities available to us in excess of USD 100 million. Taken together with our operational choices and updated hedging program, we expect to be able to fully fund our revised 2020 expenditure program from cash flows and current borrowing capacity. Assuming average 2020 Brent oil prices of USD 25 per barrel and assuming WCS oil prices are at zero for the remainder of the year, we expect to utilize less than 40% of our existing liquidity headroom. This demonstrates the financial resilience of IPC to respond to sustained low oil prices.

First Quarter Performance

During Q1 2020, our assets delivered average daily net production of 46,000 boepd, in line with our original CMD Q1 2020 guidance. Our operating costs per boe for Q1 2020 was USD 12.5, slightly below our original CMD Q1 2020 guidance.

Operating cash flow generation for the first quarter amounted to USD 21.5 million, below our original CMD guidance as a result of the weakness in commodity prices towards the end of Q1 2020. This coincided with two cargo liftings in Malaysia in March 2020 when Brent prices averaged USD 32 per bbl and the falling commodity prices also impacted the revenues in France where pricing is based on one month forward Brent prices.

Capital expenditure during Q1 2020 of USD 56 million was around USD 6 million below forecast as we began implementation of our expenditure reduction program.

Net debt increased from the 2019 year end level of USD 291 million (including the cost of the Granite Acquisition) to USD 302 million as at March 31, 2020 which also includes the funding of USD 17 million of share repurchases under the share repurchase program in Q1 2020.

HSE Performance

Health, Safety & Environmental performance (HSE) remains a priority for all operational assets. Our objective is to reduce risk and eliminate hazards to prevent the occurrence of accidents, ill health and environmental damage, as these are essential to the success of our operations. During the first quarter of 2020, IPC recorded no material safety or environmental incidents.

In response to the Covid-19 outbreak, we are focused on protecting the health and safety of our employees, contractors and other stakeholders, while also working to ensure business continuity. IPC has instituted health protocols within its field operations and a work from home policy for employees whose work can be performed remotely.

Share Repurchase Program

Given the low oil price environment IPC decided to suspend the share repurchase program in order to maximize the financial flexibility of the Corporation. Prior to the suspension, a total of 8.3 million IPC shares were repurchased and cancelled for an aggregate consideration of USD 35 million during Q4 2019 and Q1 2020.

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Operations Overview

Reserves and Resources

The 2P reserves attributable to IPC oil and gas assets have grown by around five percent to 300 MMboe of 2P reserves as at December 31, 2019 (including the 2P reserves attributable to the oil and gas assets acquired in the Granite Acquisition) compared to 288 MMboe of 2P reserves as at December 31, 2018, in each case as certified by independent third party reserves auditors. The reserves life index (RLI) as at December 31, 2019 (including the 2P reserves attributable to the oil and gas assets acquired in the Granite Acquisition) was approximately 17 years. Best estimate contingent resources as at December 31, 2019, increased to 1,089 MMboe (unrisked) (and including the contingent resources attributable to the oil and gas assets acquired in the Granite Acquisition). Product types of 2P reserves and contingent resources are disclosed in the Corporation's Annual Information Form for the year ended December 31, 2019.

At the end of Q1 2020, in response to the low pricing environment, IPC has reduced, deferred or cancelled operational activities and development activity in all operating regions.

Production

The average net production during Q1 2020 was in line with IPC's CMD guidance at 46,000 boepd with stable production from all assets. Toward the end of Q1 2020, production in Canada was marginally reduced in line with the reduction in oil price and associated expenditure reductions and project deferrals.

At the end of Q1 2020, in response to the extreme low pricing environment and the global Covid-19 outbreak, the IPC 2020 business plan was reset to maximize financial flexibility, with a revised 2020 forecast net average production range of 30,000 to 45,000 boepd and cost reductions of USD 125 to 190 million as compared to CMD estimates. During Q2 2020, these 2020 guidance figures were further revised to a full year forecast net average production range of 30,000 to 37,000 boepd and estimated cost reductions of USD 175 to 190 million as compared to CMD estimates.

IPC's production during Q1 2020 with comparatives was comprised as follows:

Production in Mboepd	Three months ended March 31		Year ended December 31
	2020	2019	2019
Crude oil			
Canada - Northern Assets	13.4	12.7	13.1
Canada - Southern Assets	7.8	6.5	6.4
Malaysia	4.6	6.4	5.8
France	3.2	2.4	2.5
Total crude oil production	29.0	28.0	27.8
Gas			
Canada - Northern Assets	0.1	0.1	0.1
Canada - Southern Assets	16.9	16.3	17.9
Total gas production	17.0	16.4	18.0
Total production	46.0	44.4	45.8
Quantity in MMboe	4.19	3.99	16.72

Management's Discussion and Analysis

For the three months ended March 31, 2020

CANADA

Production in Mboepd	WI	Three months ended March 31		Year ended December 31
		2020	2019	2019
- Oil Onion Lake Thermal	100%	11.2	9.9	10.2
- Oil Suffield	100%	6.5	6.5	6.4
- Oil Ferguson	100%	1.3	-	-
- Oil Other	50 - 100%	2.2	2.8	2.9
- Gas	99.7% ¹	17.0	16.4	18.0
Canada		38.2	35.6	37.5

¹ On a well count basis.

Production

Net production from IPC's oil and gas assets in Canada during Q1 2020 was in line with guidance at 38,200 boepd with stable production from all major assets. At the end of Q1 2020, in response to the low market pricing conditions and the global Covid-19 outbreak, all discretionary well workover and maintenance activity has been deferred or cancelled and discretionary operational costs have been reduced. Production guidance for the year 2020 has been reset and discretionary curtailments have commenced. Once pricing stabilizes, IPC is confident that production can be restarted in a timely manner. IPC retains full operatorship and discretion on the timing and pace of the production restart.

Organic Growth and Capital Projects

In Canada, IPC originally forecast a comprehensive capital expenditure program including drilling, optimization and project work as part of the operational and capital budgets for 2020. At the end of Q1 2020, in response to the extremely low pricing environment and the global Covid-19 outbreak, all discretionary capital expenditure in Canada was suspended, deferred or cancelled.

In the Suffield area, at the end of Q1 2020, six development wells (five production and one injector) had been drilled and brought online. A further three oil well recompletions were executed on suspended wells, and brought online with initial rates in line with expectations. Gas optimization activity at Suffield continued in Q1 2020, with completion of over 1,500 swabs, 109 well optimizations (97 coil tubing cleanouts and 12 siphon string pulls) and execution of ten well recompletions by the end of Q1 2020. Gas pricing remained strong in Q1 2020 which has led to maintaining the low cost, fast payout swabbing activity through Q1 2020. Production of oil at Suffield has started to be curtailed and is planned to continue while pricing remains weak. There is not expected to be any material reservoir impact due to the curtailment and production can be restarted quickly once pricing recovers.

At Onion Lake Thermal, drilling of production sustaining well Pad D' commenced in Q1 2020. At the end of Q1 2020, all six production wells and six out of ten steam injector wells had been drilled prior to cold stacking of the drilling rig on location. Production has been curtailed at the Onion Lake project to minimize cost and maximize liquidity, with further curtailment for the second half of 2020 to be assessed based on commodity pricing. As production is curtailed, the offtake rates from the wells will be slowed first and steam injection will continue to preserve the steam chamber as much as possible within the reservoir which will aid in the pace of ramp up once pricing recovers.

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MALAYSIA

Production in Mboepd	WI	Three months ended March 31		Year ended December 31
		2020	2019	2019
Bertam	75%	4.6	6.4	5.8

Production

Net production from the Bertam field on Block PM307 during Q1 2020 was in line with guidance at 4,600 boepd. Exceptional operational performance continued at FPSO Bertam with facility uptime in excess of 99%. The final well in the Phase 3 infill campaign (A-20) was brought online during Q1 2020.

Organic Growth and Capital Projects

At the end of Q1 2020, in response to the extreme low pricing environment and the Covid-19 outbreak, all development activity in Malaysia had been suspended.

In Q1 2020, the remedial work on the A-15 well encountered drilling challenges and a decision was taken to suspend the well and return to complete the drilling activities once commodity pricing is stronger.

EUROPE

Production in Mboepd	WI	Three months ended March 31		Year ended December 31
		2020	2019	2019
France				
- Paris Basin	100% ¹	2.8	1.9	2.0
- Aquitaine	50%	0.4	0.5	0.5
		3.2	2.4	2.5

¹ Except for the working interest in the Dommartin Lettree field of 43%.

Production

Net production in France during Q1 2020 was in line with guidance at 3,200 boepd with stable production from all assets. Paris Basin production has been partially curtailed during Q2 2020 as a result of storage restrictions in place due to the temporary suspension of operations at the Total-operated Grandpuits refinery.

Organic Growth

At the end of Q1 2020, as a result of the extreme low pricing environment and the global Covid-19 outbreak, all further development activity was suspended with planned drilling operations on the three well development program at Villeperdue placed on hold.

In Q1 2020, the first phase of the Vert La Gravelle redevelopment, which commenced in Q2 2019, was completed with the successful production start-up of the third well in the project (VGR109).

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FINANCIAL REVIEW

Financial Results

Selected Interim Financial Information

Selected interim condensed consolidated statement of operations is as follows:

USD Thousands	Q1 2020	Q4-19	Q3-19	Q2-19	Q1-19	Q4-18	Q3-18	Q2-18
Revenue	80,536	145,535	131,437	129,357	147,420	111,898	106,746	120,637
Gross profit / (loss)	(12,436)	43,245	23,487	39,287	46,885	26,311	37,060	45,920
Net result	(40,069)	38,372	6,330	25,744	33,142	29,346	26,487	21,498
Earnings per share – USD	(0.25)	0.23	0.04	0.16	0.20	0.29	0.30	0.24
Earnings per share fully diluted – USD	(0.25)	0.23	0.04	0.15	0.20	0.29	0.29	0.23
Operating cash flow ¹	21,481	78,888	69,504	76,496	83,056	58,322	67,949	76,687
EBITDA ¹	19,009	77,353	68,885	74,600	81,675	58,032	66,240	74,478
Net debt at period end ¹	302,473	231,503	207,778	239,322	256,962	276,761	213,217	254,628

¹ See definition on page 18 under "Non-IFRS measures".

Summarized consolidated balance sheet information is as follows:

USD Thousands	March 31, 2020	December 31, 2019
Non-current assets	1,253,860	1,252,600
Current assets	94,969	112,041
Total assets	1,348,829	1,364,641
Total non-current liabilities	530,213	474,200
Current liabilities	110,160	99,632
Total liabilities	640,373	573,832
Net assets	708,456	790,809
Working capital (including cash)	(15,191)	12,409

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Segment Information

The Group operates within several geographical areas. Operating segments are reported at a country level, with Canada being further analyzed by main areas: (i) Canada – Northern Assets (comprising mainly of the Onion Lake Thermal asset) and (ii) Canada – Southern Assets (comprising of the Suffield Assets and the Ferguson asset). This is consistent with the internal reporting provided to IPC management. The following tables present certain segment information.

USD Thousands	Three months ended – March 31, 2020					Total
	Canada – Northern Assets	Canada – Southern Assets	Malaysia	France	Other	
Crude oil	22,125	17,882	16,855	8,733	–	65,595
NGLs	–	77	–	–	–	77
Gas	72	14,714	–	–	–	14,786
Net sales of oil and gas	22,197	32,673	16,855	8,733	–	80,458
Change in under/over lift position	–	–	–	(3,357)	–	(3,357)
Royalties	(1,436)	(2,288)	–	–	–	(3,724)
Hedging settlement	2,330	523	–	–	–	2,853
Other operating revenue	–	–	3,868	276	162	4,306
Revenue	22,239	31,760	20,723	5,652	162	80,536
Production costs	(18,630)	(27,017)	(6,261)	(7,233)	–	(59,141)
Depletion	(8,230)	(9,824)	(7,207)	(5,013)	–	(30,274)
Depreciation of other assets	–	–	(3,035)	–	–	(3,035)
Exploration and business development costs	–	–	–	–	(522)	(522)
Gross profit/(loss)	(4,621)	(5,081)	4,220	(6,594)	(360)	(12,436)

USD Thousands	Three months ended – March 31, 2019					Total
	Canada – Northern Assets	Canada – Southern Assets	Malaysia	France	Other	
Crude oil	41,069	32,145	36,412	11,713	–	121,339
NGLs	–	85	–	–	–	85
Gas	95	23,856	–	–	–	23,951
Net sales of oil and gas	41,164	56,086	36,412	11,713	–	145,375
Change in under/over lift position	–	–	–	3,270	–	3,270
Royalties	(4,729)	(1,191)	–	–	–	(5,920)
Hedging settlement	499	–	–	–	–	499
Other operating revenue	–	–	3,825	286	85	4,196
Revenue	36,934	54,895	40,237	15,269	85	147,420
Production costs	(16,871)	(28,733)	(10,049)	(7,120)	–	(62,773)
Depletion	(7,043)	(11,333)	(8,274)	(3,211)	–	(29,861)
Depreciation of other assets	–	–	(7,789)	–	–	(7,789)
Exploration and business development costs	(30)	–	–	–	(82)	(112)
Gross profit	12,990	14,829	14,125	4,938	3	46,885

Management's Discussion and Analysis

For the three months ended March 31, 2020

Three months ended March 31, 2020 Review

Revenue

Total revenue amounted to USD 80,536 thousand for Q1 2020 compared to USD 147,420 thousand for Q1 2019 and is analyzed as follows:

USD Thousands	Three months ended March 31	
	2020	2019
Crude oil sales	65,595	121,339
Gas and NGL sales	14,863	24,036
Change in under/overlift position	(3,357)	3,270
Royalties	(3,724)	(5,920)
Hedging settlement	2,853	499
Other operating revenue	4,306	4,196
Total revenue	80,536	147,420

The main components of total revenue for Q1 2020 and Q1 2019 are detailed below.

Crude oil sales

	Three months ended – March 31, 2020				Total
	Canada – Northern Assets	Canada – Southern Assets	Malaysia	France	
Crude oil sales					
- Revenue in USD thousands	22,125	17,882	16,855	8,733	65,595
- Quantity sold in bbls	1,209,907	677,495	344,561	260,005	2,491,968
- Average price realized USD per bbl	18.29	26.39	48.92	33.59	26.32

	Three months ended – March 31, 2019				Total
	Canada – Northern Assets	Canada – Southern Assets	Malaysia	France	
Crude oil sales					
- Revenue in USD thousands	41,069	32,145	36,412	11,713	121,339
- Quantity sold in bbls	1,102,928	701,086	537,695	181,610	2,523,319
- Average price realized USD per bbl	37.24	45.85	67.72	64.50	48.09

Crude oil revenue was 46% lower for Q1 2020 compared to Q1 2019 mainly due to lower oil prices resulting from a drop in global oil demand triggered by the impact of the Covid-19 outbreak on the global economy and the lack of an agreement between OPEC and non-OPEC countries regarding proposed production cuts.

The Suffield Assets crude oil in Canada is blended with purchased condensate diluent volumes to meet pipeline specifications. As a result of the blended volumes, actual sales volumes are higher than produced volumes for Canada. The Canadian realized sales price is based on the Western Canadian Select ("WCS") price which trades at a discount to West Texas Intermediate ("WTI"). For Q1 2020, WTI averaged USD 46 per bbl compared to USD 55 per bbl for Q1 2019 and the average discount to WCS used in our pricing formula was USD 21 per bbl compared to USD 12 per bbl for Q1 2019.

Onion Lake Thermal and other Canadian assets production is sold as is, without being blended with condensate first. It is heavier than the WCS quality and trades at a discount to WCS prices.

The realized sales price for Malaysia and France is based on Dated Brent crude oil prices with revenue in France based on one month forward Brent prices. There were three cargo liftings in Malaysia during Q1 2020 with one lifting in February and two liftings in March. The timing of the liftings in Malaysia and the month forward pricing on the revenue in France, coinciding with falling commodity prices across the quarter resulted in the lower realized price achieved. The average Dated Brent crude oil price was USD 50 per bbl for Q1 2020 compared to USD 63 per bbl for the comparative period.

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For the three months ended March 31, 2020

Gas and NGL sales

	Three months ended – March 31, 2020		
	Canada – Southern Assets	Canada – Northern Assets	Total
Gas and NGL sales			
- Revenue in USD thousands	14,791	72	14,863
- Quantity sold in Mcf	8,657,473	58,684	8,716,157
- Average price realized USD per Mcf	1.71	1.23	1.71

	Three months ended – March 31, 2019		
	Canada – Southern Assets	Canada – Northern Assets	Total
Gas and NGL sales			
- Revenue in USD thousands	23,941	95	24,036
- Quantity sold in Mcf	8,553,764	52,321	8,606,085
- Average price realized USD per Mcf	2.80	1.82	2.79

Gas and NGL sales revenue was 38% lower for Q1 2020 compared to Q1 2019 mainly due to the lower achieved gas price. Approximately 98% of the Suffield gas production was sold on the Alberta/Saskatchewan border at Empress with the remainder being delivered in Alberta based on AECO pricing.

Hedging settlement

IPC enters into risk management contracts in order to ensure a certain level of cashflow and to comply with covenants of its financing facilities. It focuses mainly on oil price swap and collars to limit pricing exposure. IPC also uses natural gas at the Onion Lake Thermal project and the Blackrod SAGD pilot project to generate steam and manages the pricing risk by entering into fixed price swaps. The oil and gas pricing contracts are not entered into for speculative purposes. Also see the Financial Risk Management section below.

The realized hedging settlement for Q1 2020 amounted to USD 2,853 thousand and consisted of a gain of USD 118 thousand on the gas contracts and a gain of USD 2,735 thousand on the oil contracts.

Other operating revenue

Other operating revenue amounted to USD 4,306 thousand for Q1 2020 compared to USD 4,196 thousand for Q1 2019 and consists of lease fee income, tariff income and fees for strategic storage of inventory in France. The significant part of other operating revenue is third party lease fee income received by the Group for the leasing of the owned FPSO Bertam to the Bertam field in Malaysia.

Management's Discussion and Analysis

For the three months ended March 31, 2020

Production costs

Production costs including inventory movements amounted to USD 59,141 thousand for Q1 2020 compared to USD 62,773 thousand for Q1 2019 and is analyzed as follows:

Three months ended – March 31, 2020						
USD Thousands	Canada – Southern Assets	Canada – Northern Assets	Malaysia	France	Other ³	Total
Operating costs ¹	22,280	18,630	16,808	6,443	(11,603)	52,558
USD/boe ²	9.90	15.15	39.90	21.97	n/a	12.53
Cost of blending ⁴	4,118	–	–	–	–	4,118
Change in inventory position	619	–	1,056	790	–	2,465
Production costs	27,017	18,630	17,864	7,233	(11,603)	59,141

Three months ended – March 31, 2019						
USD Thousands	Canada – Southern Assets	Canada – Northern Assets	Malaysia	France	Other ³	Total
Operating costs ¹	23,232	16,871	17,541	6,647	(11,475)	52,816
USD/boe ²	11.35	14.68	30.23	30.54	n/a	13.22
Cost of blending	5,672	–	–	–	–	5,672
Change in inventory position	(171)	–	3,983	473	–	4,285
Production costs	28,733	16,871	21,524	7,120	(11,475)	62,773

¹ See definition on page 23 under "Non-IFRS measures".

² USD/boe in the tables above is calculated by dividing the cost by the production volume for each country for the period.

³ Included in the Malaysia operating costs is the lease cost for the FPSO Bertam which is owned by the Group. Other represents the FPSO Bertam lease fee self-to-self payment elimination. Netting the self-to-self elimination against the operating costs in Malaysia reduces the operating cost per boe for Malaysia to USD 12.36 and USD 10.45 for Q1 2020 and Q1 2019 respectively.

Operating costs

Operating costs amounted to USD 52,558 thousand for Q1 2020 compared to USD 52,816 thousand for Q1 2019. Operating costs per boe amounted to USD 12.53 per boe in Q1 2020 compared with USD 13.22 per boe in Q1 2019.

Cost of blending

For the Suffield Assets in Canada, oil production is blended with purchased condensate diluent to meet pipeline specifications. The cost of the diluent net of proceeds from the sale of surplus diluent amounted to USD 4,118 thousand for Q1 2020 compared to USD 5,672 thousand for Q1 2019. As a result of the blending, actual sales volumes are higher than produced barrels. A cost of USD 230 thousand and USD 407 thousand was recognized relating to the difference between the cost and sale proceeds of the surplus diluent for Q1 2020 and Q1 2019 respectively.

Change in inventory position

The Bertam field in Malaysia is located offshore and production is lifted and sold from the FPSO Bertam when a cargo parcel size is reached. Accordingly, the timing of a lifting varies based on the inventory level on the FPSO facility and the change in inventory position varies, both positively and negatively, from period to period. Inventories are valued at the lower of cost including depletion and market value and the difference in the valuation between period ends is reflected in the change in inventory position in the statement of operations.

Management's Discussion and Analysis

For the three months ended March 31, 2020

Depletion and decommissioning costs

The total depletion and decommissioning costs amounted to USD 30,274 thousand for Q1 2020 compared to USD 29,861 thousand for Q1 2019. The depletion charge is analyzed in the following tables:

	Three months ended – March 31, 2020				
	Canada – Southern Assets	Canada – Northern Assets	Malaysia	France	Total
Depletion cost in USD thousands	9,824	8,230	7,207	5,013	30,274
USD per boe	4.37	6.69	17.11	17.10	7.22

	Three months ended – March 31, 2019				
	Canada – Southern Assets	Canada – Northern Assets	Malaysia	France	Total
Depletion cost in USD thousands	11,333	7,043	8,274	3,211	29,861
USD per boe	5.54	6.13	14.26	14.75	7.48

The depletion charge is derived by applying the depletion rate per boe to the volumes produced in the period by each field.

Depreciation of other assets

The total depreciation of other assets amounted to USD 3,035 thousand for Q1 2020 compared to USD 7,789 thousand for Q1 2019. This related to the depreciation of the FPSO Bertam, which is being depreciated on a unit of production basis from July 2019 based on the Bertam field 2P reserves. Prior to this date the Bertam FPSO was being depreciated on a straight line basis over the six year lease period on the Bertam field from April 2015.

Exploration and business development costs

The total exploration and business developments costs amounted to USD 522 thousand for Q1 2020. These costs mainly related to the Granite Acquisition.

General, administrative and depreciation expenses

General, administrative and depreciation expenses amounted to USD 2,810 thousand for Q1 2020, compared to USD 3,311 thousand for Q1 2019.

Net financial items

Net financial items amounted to a charge of USD 29,162 thousand for Q1 2020, compared to USD 4,067 thousand for Q1 2019, and included a largely non-cash net foreign exchange loss of USD 21,857 thousand for Q1 2020 compared to a net foreign exchange gain of USD 3,899 thousand for Q1 2019. The foreign exchange movements mainly result from the revaluation of intra-group loan funding balances.

Excluding foreign exchange movements, the net financial items amounted to a charge of USD 7,305 thousand for Q1 2020, compared to USD 7,966 thousand for Q1 2019. The interest expense amounted to USD 3,787 thousand Q1 2020, compared to USD 4,294 thousand for the comparative period. The unwinding of the asset retirement obligation discount rate amounted to USD 2,643 thousand for Q1 2020, compared to USD 2,666 thousand for Q1 2019.

Income tax

The corporate income tax credit amounted to USD 4,339 thousand for Q1 2020, compared to a tax charge of USD 6,365 thousand for Q1 2019.

Management's Discussion and Analysis

For the three months ended March 31, 2020

Capital Expenditure

Development and exploration and evaluation expenditure incurred in Q1 2020, was as follows:

USD Thousands	Canada – Southern Assets	Canada – Northern Assets	Malaysia	France	Total
Development	9,425	18,540	20,082	6,118	54,165
Exploration and evaluation	–	1,649	126	250	2,025
	9,425	20,189	20,208	6,368	56,190

Capital expenditure of USD 56,190 thousand was mainly spent on drilling on the Suffield Assets, the development of the Pad D' on Onion Lake Thermal and the continued drilling campaign in Malaysia

Other tangible fixed assets

Other tangible fixed assets amounted to USD 65,098 thousand as at March 31, 2020, which included USD 61,663 thousand in respect of the FPSO Bertam. The FPSO Bertam is being depreciated on a unit of production basis from July 2019 based on the Bertam field 2P reserves.

Granite Acquisition

On March 5, 2020, IPC completed the acquisition of all of the issued and outstanding shares of Granite. At such date, Granite became a wholly-owned subsidiary of IPC.

The Granite Acquisition has been accounted for as a business combination in accordance with IFRS 3, with IPC being the acquirer. Total consideration provided, after preliminary closing adjustments, amounted to USD 27.7 million (CAD 37.1 million).

The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

USD Thousands	
Trade and other receivables	1,620
Prepaid expenses and deposits	599
Fair value of risk management assets	1,748
Deferred tax assets	16,730
Property, plant and equipment	47,076
Other fixed assets	85
Accounts payable and accrued liabilities	(6,691)
Decommissioning liabilities	(4,498)
Long-term debt	(27,649)
MTM reserve in equity	(1,311)
Total Consideration	27,709
Settled by:	
Cash payment of 39,061,575 common shares of Granite	27,709

The amounts disclosed above were determined provisionally pending the finalization of the valuation for those assets and liabilities. Up to twelve months from the effective date of the Acquisition, further adjustments may be made to the fair values assigned to the identifiable assets acquired and liabilities assumed.

Acquisition-related costs of approximately USD 0.5 million have been recognized in the income statement for Q1 2020.

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Financial Position and Liquidity

Financing

As at January 1, 2019, the Group had a reserve-based lending credit facility of USD 200 million (the "International RBL") with a maturity to end June 2022 in connection with its oil and gas assets in France, Malaysia and the Netherlands. In addition, the Group had reserve-based lending credit facilities in aggregate of CAD 370 million and outstanding senior secured notes of CAD 75 million in connection with its oil and gas assets in Canada.

In June 2019, the Group combined its reserve-based lending facilities in Canada into one reserve-based lending credit facility of CAD 375 million (the "Canadian RBL") with a maturity date in May 2021. The senior secured notes of CAD 75 million were fully repaid and cancelled in June 2019, from a drawdown under the Canadian RBL.

The borrowing base availability under the International RBL is currently USD 125 million of which USD 95 million was outstanding as at March 31, 2020. The borrowing base availability under the Canadian RBL is currently CAD 375 million of which CAD 297 million was outstanding as at March 31, 2020.

In March 2020, in connection with the completion of the Granite Acquisition, the Group assumed the bank debt of Granite consisting of a revolving credit facility of CAD 42.5 million (the "Granite Facility") of which CAD 40 million was outstanding at March 31, 2020. The Granite Facility has a maturity date of December 31, 2020 and is classified as current. Under the Granite Facility, IPC is required to hedge 40% of oil production from the assets acquired in the Granite Acquisition.

Total net debt as at March 31, 2020, amounted to USD 302.5 million.

With the exception of the Granite Facility, no facility repayment schedule results in mandatory repayment within the next twelve months. As such, the amounts outstanding under the International RBL and the Canadian RBL as at March 31, 2020, are classified as non-current.

The Group is in compliance with the covenants under the International RBL, the Canadian RBL and the Granite Facility as at March 31, 2020.

As at May 6, 2020, IPC is actively in engaging with its banks regarding these credit facilities. As at March 31, 2020, IPC had available liquidity headroom of around USD 90 million under these existing credit facilities. IPC has commenced discussions with the lenders under the International RBL to extend the maturity of and potentially increase the International RBL. In addition, IPC is exploring the ability to access special financial assistance packages being offered by the government authorities in France. Under these programs, in May 2020, IPC entered into a EUR 13 million unsecured credit facility in France. The facility has an initial term of 12 months and is extendable by the Group for up to a further five years. In Canada, IPC has commenced discussions with the lenders under the Canadian RBL. While the Canadian RBL redetermination discussions are not expected to be completed until later in Q2 2020, IPC is encouraged by the financial support package that has been announced by the Canadian Federal Government, through Export Development Canada (EDC). This program aims to support and ensure the oil and gas sector maintains liquidity during the crisis, through the form of guarantees provided by EDC in respect of RBL facilities.

Cash and cash equivalents held amounted to USD 29,368 thousand as at March 31, 2020. The Corporation holds cash to meet imminent operational funding requirements in the different countries.

Working Capital

As at March 31, 2020, the Group had a net working capital balance including cash of USD (15,191) thousand compared to USD 12,409 thousand as at December 31, 2019.

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Non-IFRS Measures

In addition to using financial measures prescribed under IFRS, references are made in this MD&A to "operating cash flow", "free cash flow", "EBITDA", "operating costs" and "net debt", which are non-IFRS measures. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other public companies. Non-IFRS measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

The Corporation uses non-IFRS measures to provide investors with supplemental measures to assess cash generated by and the financial performance and condition of the Corporation. Management also uses non-IFRS measures internally in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the Group's ability to meet its future capital expenditure and working capital requirements. Management believes these non-IFRS measures are important supplemental measures of operating performance because they highlight trends in the core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management believes such measures allow for assessment of the Group's operating performance and financial condition on a basis that is more consistent and comparable between reporting periods. The Corporation also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of public companies. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes.

"Operating cash flow" is calculated as revenue less production costs less current tax. Operating cash flow is used to analyze the amount of cash that is being generated available for capital investment and servicing debt.

"Free cash flow" is calculated as operating cash flow less capital expenditures less abandonment and farm-in expenditures less general, administration and depreciation expenses before depreciation and less cash financial items. Free cash flow is used to analyze the amount of cash that is being generated by the business and that is available for such purposes as repaying debt, funding acquisitions and returning capital to shareholders.

"EBITDA" is calculated as net result before financial items, taxes, depletion of oil and gas properties, exploration costs, impairment costs and depreciation and adjusted for non-recurring profit/loss on sale of assets and other income.

"Operating cost" is calculated as production costs excluding any change in the inventory position and the cost of blending and is used to analyze the cash cost of producing the oil and gas volumes.

"Net debt" is calculated as bank loans less cash and cash equivalents.

Reconciliation of Non-IFRS Measures

Operating cash flow

The following table sets out how operating cash flow is calculated from figures shown in the consolidated financial statements:

USD Thousands	Three months ended March 31	
	2020	2019
Revenue	80,536	147,420
Production costs	(59,141)	(62,773)
Current tax	86	(1,591)
Operating cash flow	21,481	83,056

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Free cash flow

The following table sets out how free cash flow is calculated from figures shown in the consolidated financial statements:

USD Thousands	Three months ended March 31	
	2020	2019
Operating cash flow - see above	21,481	83,056
Capital expenditures	(56,190)	(21,886)
Abandonment and farm-in expenditures ¹	(1,340)	(1,438)
General, administration and depreciation expenses before depreciation ²	(2,386)	(2,972)
Cash financial items ³	(4,277)	(4,696)
Free cash flow	(42,712)	52,064

¹ See note 18 to the financial statements

² Depreciation is not specifically disclosed in the consolidated financial statements

³ See notes 4 and 5 to the financial statements.

EBITDA

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

USD Thousands	Three months ended March 31	
	2020	2019
Net result	(40,069)	33,142
Net financial items	29,162	4,067
Income tax	(4,339)	6,365
Depletion	30,274	29,861
Depreciation of other assets	3,035	7,789
Exploration and business development costs	522	112
Depreciation included in general, administration and depreciation expenses ¹	424	339
EBITDA	19,009	81,675

¹ Item is not shown in the consolidated financial statements

Operating costs

The following table sets out how operating costs is calculated:

USD Thousands	Three months ended March 31	
	2020	2019
Production costs	59,141	62,773
Cost of blending ¹	(4,118)	(5,672)
Change in inventory position	(2,465)	(4,285)
Operating costs	52,558	52,816

¹ Item is not shown in the consolidated financial statements. See production costs section above.

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Net debt

The following table sets out how net debt is calculated from figures shown in the consolidated financial statements:

USD Thousands	March 31, 2020	December 31, 2019
Bank loans	331,841	247,074
Cash and cash equivalents	(29,368)	(15,571)
	302,473	231,503

Off-Balance Sheet Arrangements

IPC, through its subsidiary IPC Canada Ltd (then known as IPC Alberta Ltd.), has issued a letter of credit for an amount of CAD 4 million in respect of its obligations to purchase diluent. This letter of credit is outstanding until December 2020.

IPC has also guaranteed the obligations of its subsidiary, IPC Canada Ltd, in respect of its pipeline gathering and transportation of crude oil for a maximum amount of CAD 3.6 million.

In connection with the Granite Acquisition, IPC, through its subsidiary Granite Oil Corp., has issued a letter of credit for an amount of CAD 500,000 in respect of its obligations related to the Ferguson asset. This letter of credit increases by CAD 100,000 annually, to a maximum of CAD 1,000,000.

Outstanding Share Data

The common shares of IPC trade on both the Toronto Stock Exchange and the Nasdaq Stockholm.

As at January 1, 2019, the total number of common shares issued and outstanding in IPC was 163,720,065. On November 7, 2019, IPC announced the commencement of a share repurchase program. During the period up to March 31, 2020, IPC repurchased an aggregate of 8,377,308 common shares and all of these shares were cancelled. As at May 6, 2020, IPC had a total of 155,342,757 common shares issued and outstanding.

Nemesia S.à.r.l. and Zebra Holdings and Investments S.à.r.l., investment companies wholly owned by a Lundin family trust, own 40,697,533 common shares in IPC, representing 26.20% of the outstanding common shares as at May 6, 2020.

In addition, IPC has 117,485,389 outstanding class A preferred shares, issued as a part of an internal corporate structuring to a wholly-owned subsidiary of IPC. Such preferred shares are not listed on any stock exchange and do not carry the right to vote on matters to be decided by the holders of IPC's common shares.

IPC has 1,808,566 stock options and 3,951,183 IPC Performance and Restricted Share Plan awards (633,366 awards granted in July 2018, 198,622 awards granted in March 2019, 1,351,976 awards granted in July 2019, 25,349 awards granted in January 2020 and 1,741,870 awards granted in March 2020), outstanding as at May 6, 2020.

Contractual Obligations and Commitments

IPC has an obligation to make payments towards historic costs on Block PM307 in Malaysia payable on the Bertam field for every 1 MMboe gross that the field produces above 10 MMboe gross. The estimated liability based on current 2P reserves has been provided for in the Group's Balance Sheet – see Note 18 Provisions of the Financial Statements.

The Bertam field (IPC working interest of 75%) has leased the FPSO Bertam from another Group company for an initial period of six years commencing April 2015, with four one-year options to extend such lease beyond the initial period, up to April 2025.

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Critical Accounting Policies and Estimates

In connection with the preparation of the Corporation's consolidated financial statements, management has made assumptions and estimates about future events and applied judgments that affect the reported values of assets, liabilities, revenues, expenses and related disclosures. These assumptions, estimates and judgments are based on historical experience, current trends and other factors that they believe to be relevant at the time the financial statements are prepared. The management reviews the accounting policies, assumptions, estimates and judgments to ensure that the financial statements are presented fairly in accordance with IFRS. However, because future events and their effects cannot be determined with certainty, actual results could differ from these assumptions and estimates, and such differences could be material.

Transactions with Related Parties

Lundin Energy (previously "Lundin Petroleum") has charged the Group USD 192 thousand in respect of office space rental and USD 74 thousand in respect of shared services provided during Q1 2020.

All transactions with related parties are in the normal course of business and are made on the same terms and conditions as with parties at arm's length.

Financial Risk Management

As an international oil and gas exploration and production company, IPC is exposed to financial risks such as interest rate risk, currency risk, credit risk, liquidity risks as well as the risk related to the fluctuation in the oil price. The Group seeks to control these risks through sound management practice and the use of internationally accepted financial instruments, such as oil and gas price, interest rate or foreign exchange hedges as the case may be. Financial instruments will be solely used for the purpose of managing risks in the business. As at March 31, 2020, the Corporation had entered into oil and gas price hedges – see below.

Management believes that the cash resources, other current assets and cash flow from operations are sufficient to finance the Group's operations and capital expenditures program over the next year.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to meet its committed financial liabilities and work program requirements in order to create shareholder value. The Group may put in place new credit facilities, repay debt, or pursue other such restructuring activities as appropriate.

Management of the Corporation will continuously monitor and manage the Group's capital, liquidity and net debt position in order to assess the requirement for changes to the capital structure to meet the objectives and to maintain flexibility.

Price of Oil and Gas

Prices of oil and gas are affected by the normal economic drivers of supply and demand as well as by financial investors and market uncertainty. Factors that influence these prices include operational decisions, prices of competing fuels, natural disasters, economic conditions, transportation constraints, political instability or conflicts or actions by major oil exporting countries. Price fluctuations will affect the Group's financial position.

Based on analysis of the circumstances, the management assesses the benefits of forward hedging monthly sales contracts for the purpose of protecting cash flow. If management believes that a hedging contract will appropriately help manage cash flow then it may choose to enter into a commodity price hedge.

The Group had gas price purchase hedges outstanding as at March 31, 2020, which are summarized as follows:

Period	Volume (Gigajoules (GJ) per day)	Type	Average Pricing
Gas Purchase			
April 1, 2020 – December 31, 2020	4,000	Swap	AECO 5a + CAD 1.49/GJ

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The Group had oil price sales hedges outstanding as at March 31, 2020, which are summarized as follows:

Period	Volume (barrels per day)	Type	Average Pricing
April 1, 2020 – June 30, 2020	100	Swap	WTI – USD 60.15/bbl
April 1, 2020 – June 30, 2020	600	Swap	WTI – CAD 71.49/bbl
April 1, 2020 – June 30, 2020	6,150	Collar	WTI USD 35/bbl to USD 71.74/bbl
July 1, 2020 – September 30, 2020	700	Swap	WTI – CAD 70.67/bbl
October 1, 2020 – December 31, 2020	350	Swap	WTI – CAD 71.25/bbl

All of the above hedges are treated as effective and changes to the fair value are reflected in other comprehensive income.

These hedges had a fair value net asset of USD 9,486 thousand at March 31, 2020.

In April 2020, the Group also entered into the following oil price hedges in Canada:

Period	Volume (barrels per day)	Type	Average Pricing
May 2020	2,400	Swap	WTI – USD 16.40/bbl
June 2020	1,700	Swap	WTI – USD 22.20/bbl
June 2020	8,550	Swap	WTI/WCS differential of USD 9.30/bbl

Currency Risk

The Group's policy on currency rate hedging is, in the case of currency exposure, to consider fixing the rate of exchange. The Group will take into account the currency exposure, current rates of exchange and market expectations in comparison to historic trends and volatility in making the decision to hedge.

Interest Rate Risk

Interest rate risk is the risk to earnings due to uncertain future interest rates on borrowings. The Group will take into account the level of external debt, current interest rates and market expectations in comparison to historic trends and volatility in making the decision to hedge.

Credit Risk

The Group may be exposed to third party credit risk through contractual arrangements with counterparties who buy the Group's hydrocarbon products. The Group's policy is to limit credit risk by only entering into oil and gas sales agreements with reputable and creditworthy oil and gas and trading companies. Where it is determined that there is a credit risk for oil and gas sales, the Group's policy is to require credit enhancement from the purchaser.

The Group's policy on joint venture parties is to rely on the provisions of the underlying joint operating agreements to take possession of the licence or the joint venture partner's share of production for non-payment of cash calls or other amounts due. In addition, cash is to be held and transacted only through major banks.

RISK AND UNCERTAINTIES

IPC is engaged in the exploration, development and production of oil and gas and is exposed to various operational, environmental, market and financial risks and uncertainties. For further information and discussion of these risks and uncertainties, please see IPC's Annual Information Form for the year ended December 31, 2019 available on SEDAR at www.sedar.com or on IPC's website at www.international-petroleum.com. See also "Cautionary Statement Regarding Forward-Looking Information" and "Reserves and Resource Advisory" in this MD&A.

In particular, the Covid-19 virus and the restrictions and disruptions related to it, as well as the actions of certain oil and gas producing nations, have had a drastic adverse effect in 2020 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, including the Corporation's common shares. These factors are beyond the control of the Corporation and it is difficult to assess how these, and other factors, will continue to affect the Corporation and the market price of IPC's common shares. In light of the current situation, as at May 6, 2020, 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.

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DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. Management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operation of disclosure controls and procedures.

Internal Controls over Financial Reporting

Management is also responsible for the design of the Group's internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. However, due to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud.

There have been no material changes to the Groups internal control over financial reporting during the three and twelve month periods ended March 31, 2020, that have materially affected, or are reasonably likely to materially affect, the Group's internal control over financial reporting.

Control Framework

Management assesses the effectiveness of the Corporation's internal control over financial reporting using the Internal Control – Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Acquisition of Granite

The Granite Acquisition was completed less than 365 days from the end of the current financial period. As such, under applicable Canadian reporting requirements, the Group is not required to and is not certifying as to the operating effectiveness of disclosure controls and procedures and internal controls over financial reporting in respect of these assets.

Summary financial information related to Granite is presented above.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains statements and information which constitute "forward-looking statements" or "forward-looking information" (within the meaning of applicable securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including the Corporation's future performance, business prospects or opportunities. Actual results may differ materially from those expressed or implied by forward-looking statements. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Forward-looking statements speak only as of the date such statements were 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, as well as the actions of certain oil and gas producing nations, have had a drastic adverse effect in 2020 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, including the Corporation's common shares. These factors are beyond the control of the Corporation and it is difficult to assess how these, and other factors, will continue to affect the Corporation and the market price of IPC's common shares. In light of the current situation, as at the date of this MD&A, 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".

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

- IPC's ability to maximize liquidity and financial flexibility in connection with the Covid-19 outbreak and reduction in commodity prices;
- the expectation that recent actions will assist in reducing inventory builds and in rebalancing markets, including supply and demand for oil and gas;
- 2020 production range, operating costs and capital and decommissioning expenditure estimates;
- estimates of future production, cash flows, operating costs and capital expenditures that are based on IPC's current business plans and assumptions regarding the business environment, which are subject to change;
- IPC's ability to reduce expenditures to forecast levels;
- IPC's financial and operational flexibility to react to recent events and to prepare the Corporation to navigate through periods of low commodity prices;
- IPC's ability to defer or cancel expenditures and to curtail production, and to resume such production to expected levels following curtailment;
- IPC's continued access to its existing credit facilities, including current financial headroom, on terms acceptable to the Corporation;
- IPC's ability to extend and maintain the maturity of and increase the international RBL and to redetermine and maintain the Canadian RBL, including accessing the EDC guarantees, on terms acceptable to the Corporation;
- the ability to fully fund 2020 expenditures from cash flows and current borrowing capacity;
- IPC's flexibility to remain within existing financial headroom;
- IPC's ability to maintain operations, production and business in light of the Covid-19 outbreak and the restrictions and disruptions related thereto, including risks related to production delays and interruptions, changes in laws and regulations and reliance on third-party operators and infrastructure;
- IPC's intention and ability to continue to implement our strategies to build long-term shareholder value;
- the ability of IPC's portfolio of assets to provide a solid foundation for organic and inorganic growth;
- the continued facility uptime and reservoir performance in IPC's areas of operation;
- future development potential of the Suffield operations, including future oil drilling and gas optimization programs, the ability to offset natural declines and the N2N EOR development project;
- further conventional oil drilling in Canada, including the ability of such drilling to identify further drilling or development opportunities;
- development of the Blackrod project in Canada;
- the results of the facility optimization program, the work to debottleneck the facilities and injection capability and the F-Pad production, as well as water intake and steam generation issues, at Onion Lake Thermal;
- addition of another drilling pad at Onion Lake Thermal and the production resulting from such pad;
- the ability of IPC to achieve and maintain current and forecast production and take advantage of production growth and development upside opportunities related to the oil and gas assets acquired in the Granite Acquisition;
- the ability of existing infrastructure acquired in the Granite Acquisition to enable EOR projects, as well as capacity to allow for potential further field development opportunities;
- the timing and success of the Villeperdue West development project, including drilling and related production rates as well as future phases of the Vert La Gravelle redevelopment project, and other organic growth opportunities in France;
- future development potential of Triassic reservoirs in France and the ability to maintain current and forecast production in France;
- the ability of IPC to achieve and maintain current and forecast production in Malaysia and the ability to identify, mature and drill additional infill drilling locations;
- the success and timing of remedial works in respect of the A-15 well in Malaysia;
- the ability of IPC to acquire further common shares under the share repurchase program, including the timing of any such purchases;
- the return of value to IPC's shareholders as a result of the share repurchase program;
- estimates of reserves;
- estimates of contingent resources;
- the ability to generate free cash flows and use that cash to repay debt; and
- future drilling and other exploration and development activities.

Statements relating to "reserves" and "contingent resources" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and that the reserves and resources can be profitably produced in the future. Ultimate recovery of reserves or resources is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. See also "Reserves and Resource Advisory".

The forward-looking statements are based on certain key expectations and assumptions made by IPC, including expectations and assumptions concerning: prevailing commodity prices and currency exchange rates; applicable royalty rates and tax laws; interest rates; future well production rates and reserve and contingent resource volumes; operating costs; the timing of receipt of regulatory approvals; the performance of existing wells; the success obtained in drilling new wells; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the successful completion of acquisitions and dispositions; the benefits of acquisitions; the state of the economy and the exploration and production business in the jurisdictions in which IPC operates and globally; the availability and cost of financing, labor and services; and the ability to market crude oil, natural gas and natural gas liquids successfully.

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

These include, but are not limited to:

- the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production;
- delays or changes in plans with respect to exploration or development projects or capital expenditures;
- the uncertainty of estimates and projections relating to reserves, resources, production, revenues, costs and expenses;
- health, safety and environmental risks;
- commodity price, including those experienced in 2020;
- exchange rate and interest rate fluctuations;
- marketing and transportation;
- loss of markets;
- environmental risks;
- competition;
- incorrect assessment of the value of acquisitions;
- failure to complete or realize the anticipated benefits of acquisitions or dispositions;
- the ability to access sufficient capital from internal and external sources;
- failure to obtain required regulatory and other approvals; and
- changes in legislation, including but not limited to tax laws, royalties, environmental and abandonment regulations.

Readers are cautioned that the foregoing list of factors is not exhaustive.

Additional information on these and other factors that could affect IPC, or its operations or financial results, are included in the Financial Statements, the Corporation's Annual Information Form (AIF) for the year ended December 31, 2019 (See "Cautionary Statement Regarding Forward-Looking Information", "Reserves and Resources Advisory" and "Risk Factors") and other reports on file with applicable securities regulatory authorities, including previous financial reports, management's discussion and analysis and material change reports, which may be accessed through the SEDAR website (www.sedar.com) or IPC's website (www.international-petroleum.com).

RESERVES AND RESOURCE ADVISORY

This MD&A contains references to estimates of gross and net reserves and resources attributed to the Corporation's oil and gas assets. Gross reserves / resources are the working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests. Net reserves / resources are the working interest (operating or non-operating) share after deduction of royalty obligations, plus royalty interests in reserves/resources, and in respect of PSCs in Malaysia, adjusted for cost and profit oil. Unless otherwise indicated, reserves / resource volumes are presented on a gross basis.

Reserve estimates, contingent resource estimates and estimates of future net revenue in respect of IPC's oil and gas assets in Canada (including oil and gas assets acquired in the Granite Acquisition) are effective as of December 31, 2019, and are included in the reports prepared by Sproule Associates Limited (Sproule), an independent qualified reserves evaluator, in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (NI 51-101) and the Canadian Oil and Gas Evaluation Handbook (the COGE Handbook) and using Sproule's December 31, 2019 price forecasts.

Reserve estimates, contingent resource estimates and estimates of future net revenue in respect of IPC's oil and gas assets in France and Malaysia are effective as of December 31, 2019, and are included in the report prepared by ERC Equipose Ltd. (ERCE), an independent qualified reserves auditor, in accordance with NI 51-101 and the COGE Handbook, and using Sproule's December 31, 2019 price forecasts.

The price forecasts used in the Sproule and ERCE reports are available on the website of Sproule (sproule.com) and are contained in the AIF. These price forecasts are as at December 31, 2019 and may not be reflective of current and future forecast commodity prices.

2P reserves as at December 31, 2019 of 300 MMboe includes 286.2 MMboe attributable to IPC's oil and gas assets and 14.0 MMboe attributable to oil and gas assets acquired in the Granite Acquisition. Contingent resources (best estimate, unrisks) as at December 31, 2019 of 1,089 MMboe includes 1,082.5 MMboe attributable to IPC's oil and gas assets and 6.2 MMboe attributable to oil and gas assets acquired in the Granite Acquisition. The reserve life index (RLI) is calculated by dividing the 2P reserves of 300 MMboe as at December 31, 2019 (including the 2P reserves attributable to oil and gas assets acquired in the Granite Acquisition), by the mid-point of the 2020 CMD production guidance of 46,000 to 50,000 boepd.

Management's Discussion and Analysis

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The product types comprising the 2P reserves described in this MD&A are contained in the AIF. Light, medium and heavy crude oil reserves/resources disclosed in this MD&A include solution gas and other by-products.

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

Each of the reserves categories reported (proved and probable) may be divided into developed and undeveloped categories. "Developed reserves" are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing. "Developed producing reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty. "Developed non-producing reserves" are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown. "Undeveloped reserves" are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned.

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

There are three classifications of contingent resources: low estimate, best estimate and high estimate. Best estimate is a classification of estimated resources described in the COGE Handbook as being considered to be the best estimate of the quantity that will be actually recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the best estimate.

Contingent resources are further classified based on project maturity. The project maturity subclasses include development pending, development on hold, development unclarified and development not viable. All of the Corporation's contingent resources are classified as either development on hold or development unclarified. Development on hold is defined as a contingent resource where there is a reasonable chance of development, but there are major non-technical contingencies to be resolved that are usually beyond the control of the operator. Development unclarified is defined as a contingent resource that requires further appraisal to clarify the potential for development and has been assigned a lower chance of development until contingencies can be clearly defined. Chance of development is the probability of a project being commercially viable.

References to "unrisked" contingent resources volumes means that the reported volumes of contingent resources have not been risked (or adjusted) based on the chance of commerciality of such resources. In accordance with the COGE Handbook for contingent resources, the chance of commerciality is solely based on the chance of development based on all contingencies required for the re-classification of the contingent resources as reserves being resolved. Therefore unrisked reported volumes of contingent resources do not reflect the risking (or adjustment) of such volumes based on the chance of development of such resources.

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

2P reserves and contingent resources included in the reports prepared by Sproule and ERCE in respect of IPC's oil and gas assets in Canada, France and Malaysia have been aggregated by IPC and may also be aggregated by IPC with the 2P reserves and contingent resources attributable to the oil and gas assets acquired in the Granite Acquisition included in the reports prepared by Sproule on behalf of IPC. Estimates of reserves, resources and future net revenue for individual properties may not reflect the same level of confidence as estimates of reserves, resources and future net revenue for all properties, due to aggregation. This MD&A contains estimates of the net present value of the future net revenue from IPC's reserves. The estimated values of future net revenue disclosed in this MD&A do not represent fair market value. There is no assurance that the forecast prices and cost assumptions used in the reserve evaluations will be attained and variances could be material.

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References to "contingent resources" do not constitute, and should be distinguished from, references to "reserves".

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 thousand cubic feet (Mcf) per 1 barrel (bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a 6:1 conversion basis may be misleading as an indication of value.

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OTHER SUPPLEMENTARY INFORMATION

Abbreviations

CAD or CA\$	Canadian dollar
EUR or €	Euro
USD or US\$	US dollar
MYR	Malaysian Ringgit
FPSO	Floating Production Storage and Offloading (facility)

Oil related terms and measurements

AECO	The daily average benchmark price for natural gas at the AECO hub in southeast Alberta
API	An indication of the specific gravity of crude oil on the API (American Petroleum Institute) gravity scale
ASP	Alkaline surfactant polymer (an EOR process)
bbbl	Barrel (1 barrel = 159 litres)
boe ¹	Barrels of oil equivalents
boepd	Barrels of oil equivalents per day
bopd	Barrels of oil per day
Bscf	Billion standard cubic feet
Empress	The benchmark price for natural gas at the Empress point at the Alberta/Saskatchewan border
EOR	Enhanced Oil Recovery
Mbbl	Thousand barrels
MMbbl	Million barrels
Mboe	Thousand barrels of oil equivalents
Mboepd	Thousand barrels of oil equivalents per day
Mbopd	Thousand barrels of oil per day
MMboe	Million barrels of oil equivalents
MMbtu	Million British thermal units
Mcf	Thousand cubic feet
NGL	Natural gas liquid
SAGD	Steam assisted gravity drainage (a thermal recovery process)
WTI	West Texas Intermediate (a light oil reference price)
WCS	Western Canadian Select (a heavy oil reference price)

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

Management's Discussion and Analysis

For the three months ended March 31, 2020

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