International Petroleum Corp.

Operations and Financial Update
Second Quarter 2018

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Christophe Nerguararian, CFO

August 7, 2018

International Petroleum Corp.
Corporate Strategy

- **Deliver operational excellence**
- **Maintain financial resilience**
- **Maximize the value of our resource base**
- **Grow through M&A**

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International Petroleum Corp.

Q2 2018 Highlights

Production Guidance	- Q2 production at **34,900** boe/d, 6% higher than Q1 production and at the upper end of CMD guidance - 30,000 to 34,000 boe/d full year guidance revised to **32,500 to 34,000** boe/d
Operating Costs [1]	- Q2 ahead of guidance at **12.0** USD/boe, year to date **12.2** USD/boe - Full year guidance retained at **12.6** USD/boe
Organic Growth	- Capital programme increase to **44** MUSD - Approved additional capital budget mainly for gas optimisation in Canada
Operating Cash Flow	- Operating cash flow[1] guidance of **161 to 233** MUSD (Brent 50 to 70 USD/bbl) - First Half OCF of **152.7** MUSD; 66% of full year guidance at 70 USD/bbl - Net debt[1] down from **355 to 255** MUSD

Shareholder Value [2]	- Post Suffield acquisition in Canada:
	  - **89%** increase in 2P reserves value per share; 90% of 2P reserves value are producing
	  - Currently **32%** discount to NAV per share

HSE	- No material incidents

[1] *Non-IFRS measure, see MD&A*

[2] *See MD&A and AIF, as at December 31, 2017, after giving effect to the Suffield acquisition (see also Press Release of February 26, 2018)*

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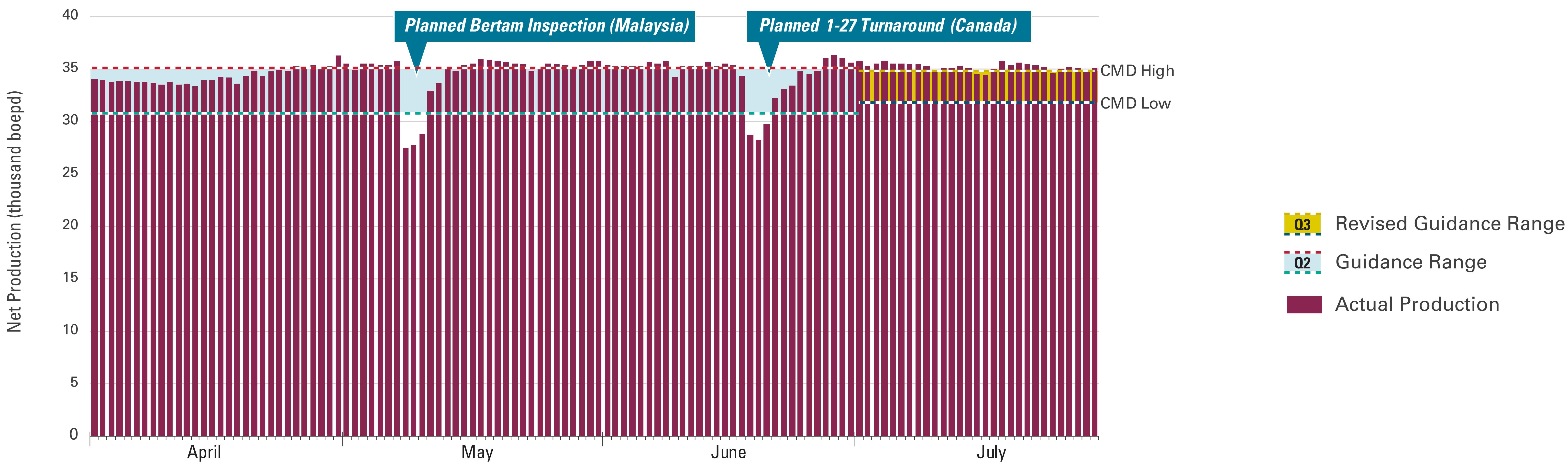
Production - Q2 2018

- **Q2 production 6% ahead of Q1 and at upper end of CMD guidance**
- **Bertam infill well performance ahead of guidance**
- **Canada gas production optimisation showing positive results**

IPC Daily Production



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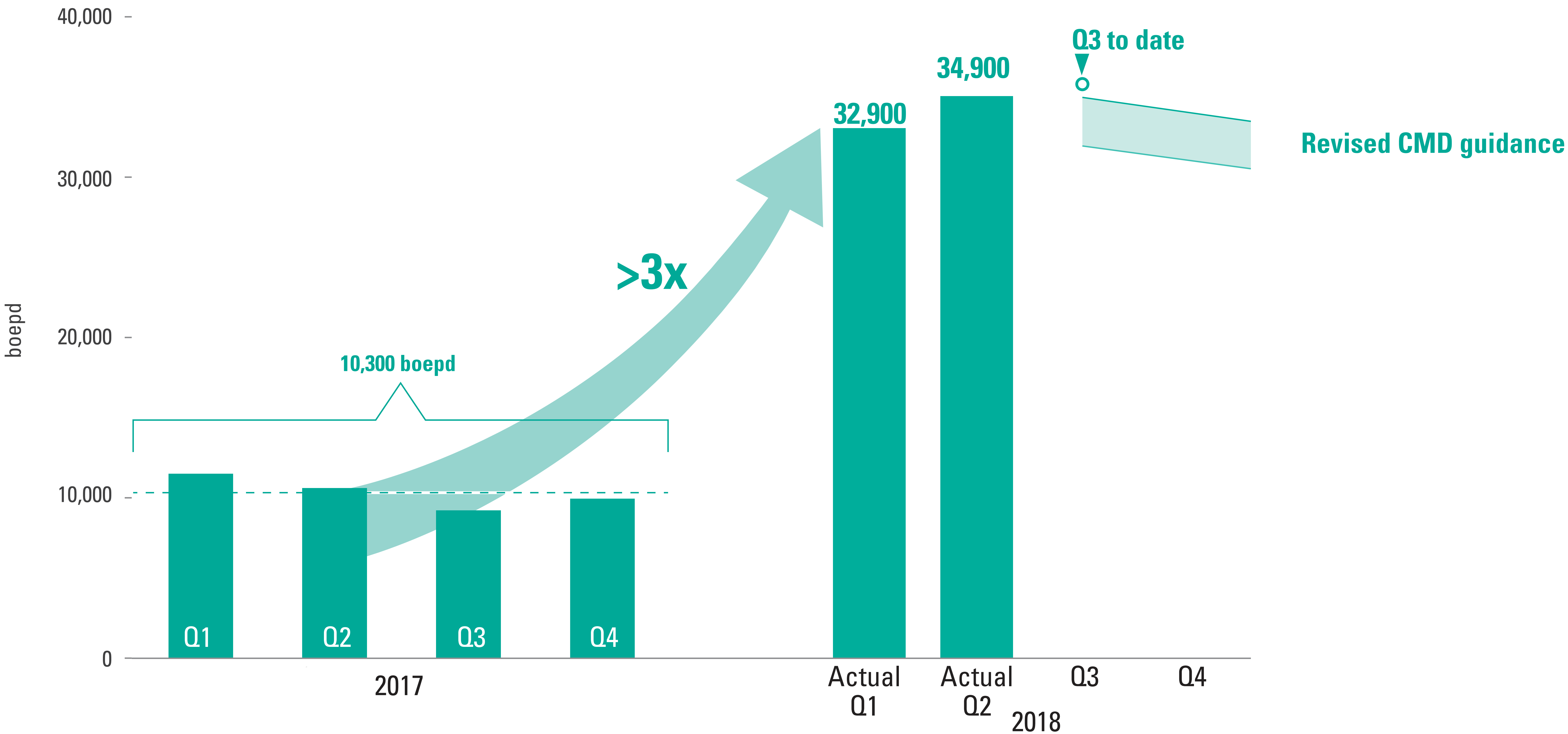
Production Growth

- **Full year guidance range revised to 32,500 - 34,000 boepd**



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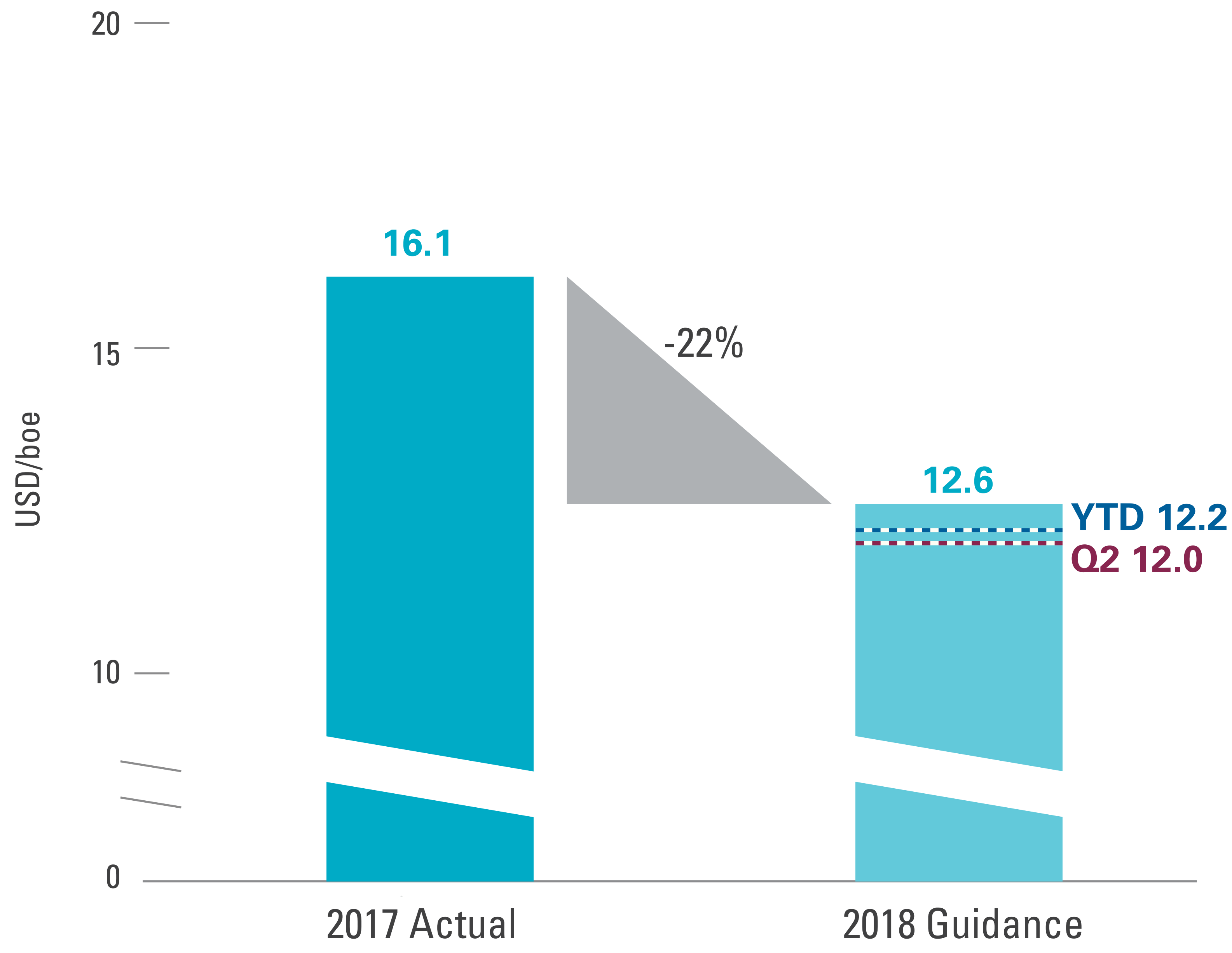
Operating Costs[1]

- **On track with CMD guidance**



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[1)] *Non-IFRS measure, see MD&A*

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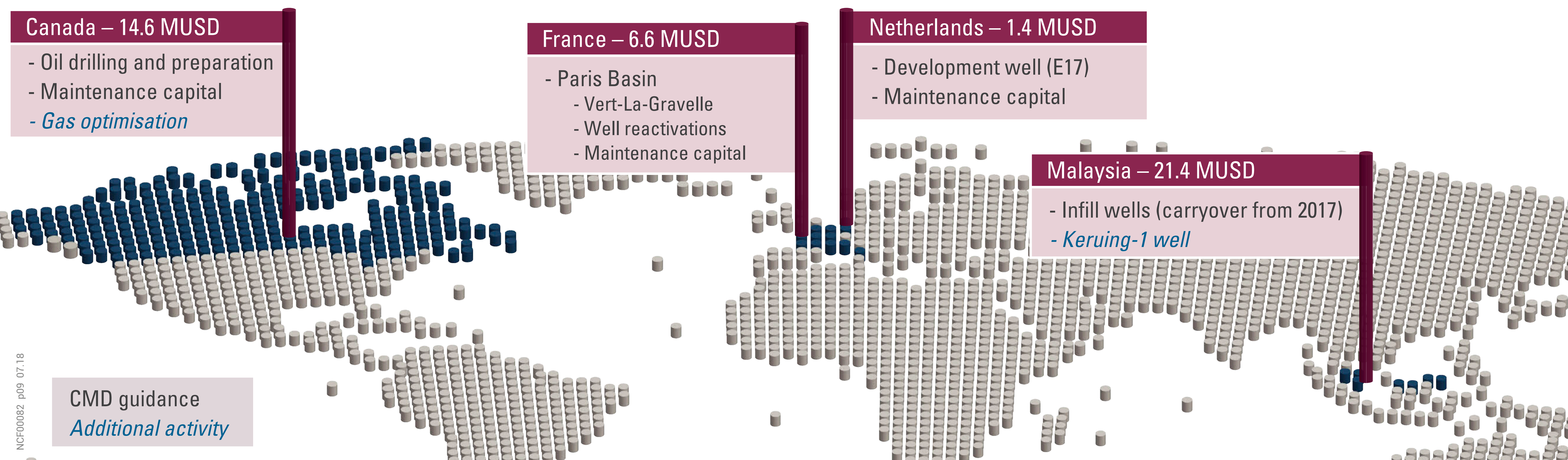
2018 Guidance - Capital Expenditure (net)

- **2018 Capital Expenditure Forecast: 44.0 MUSD (Q1 39.4 MUSD)**
- **Additional capital approved in Q2 mainly for gas optimisation in Canada**
- **Keruing-1 exploration well in Malaysia approved during Q1**



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IPC - Canada
Organic Growth

- **Shallow gas well optimisation budget increase approved**
  - High graded opportunity set to focus on low cost, high return activities
  - 7,000 swabbing operations forecasted in 2018 vs 5,500 original budget
  - Programme of refrac / recompletions identified – approved for 2018 programme
  - Further optimisation work approved – siphon strings, coil tubing activities, reactivations
- **Oil development drilling**
  - Four area studies completed – Gibson / Dieppe / Easy Coulee / N2N
  - Subsurface work is well progressed in support of 2019 drilling programme
  - Environmental surveys mostly complete and regulatory applications submitted
- **Enhanced oil recovery**
  - YYY pool is responding well to chemical injection
  - N2N enhanced oil recovery maturation ongoing
- **Oil upside: new play concepts**
  - Full opportunity review of Suffield assets ongoing

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IPC – Canada
Canada Gas Optimisation

- **Significant inventory of low risk, low cost opportunities**
  - Swabbing -> increase in 2018 activity
  - Optimisation -> siphon string pulls
    -> coil tubing clean outs
    -> mud plug removal
  - Refrac/Recomplete -> workover of existing wells,
    -> perforation/frac of bypass pay zones
    -> planning for campaign in Q3/4 2018

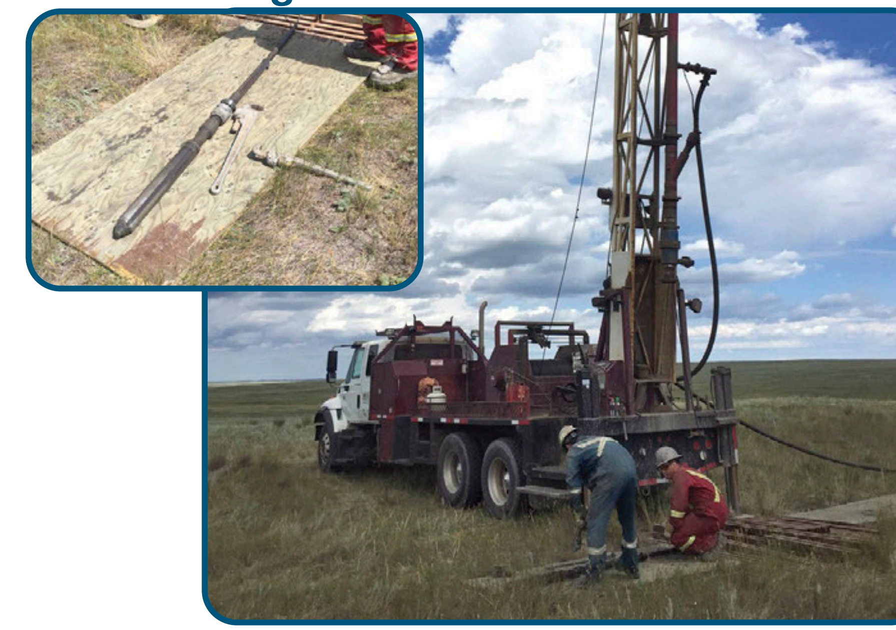
Additional 4.4 MUSD sanctioned

- OPEX of 0.6 MUSD
- CAPEX of 3.8 MUSD

Campaign breakeven < 1.1 CAD/Mcf

⇒ **Adds 2.7 MMscf/d to 2018 production**

Swabbing



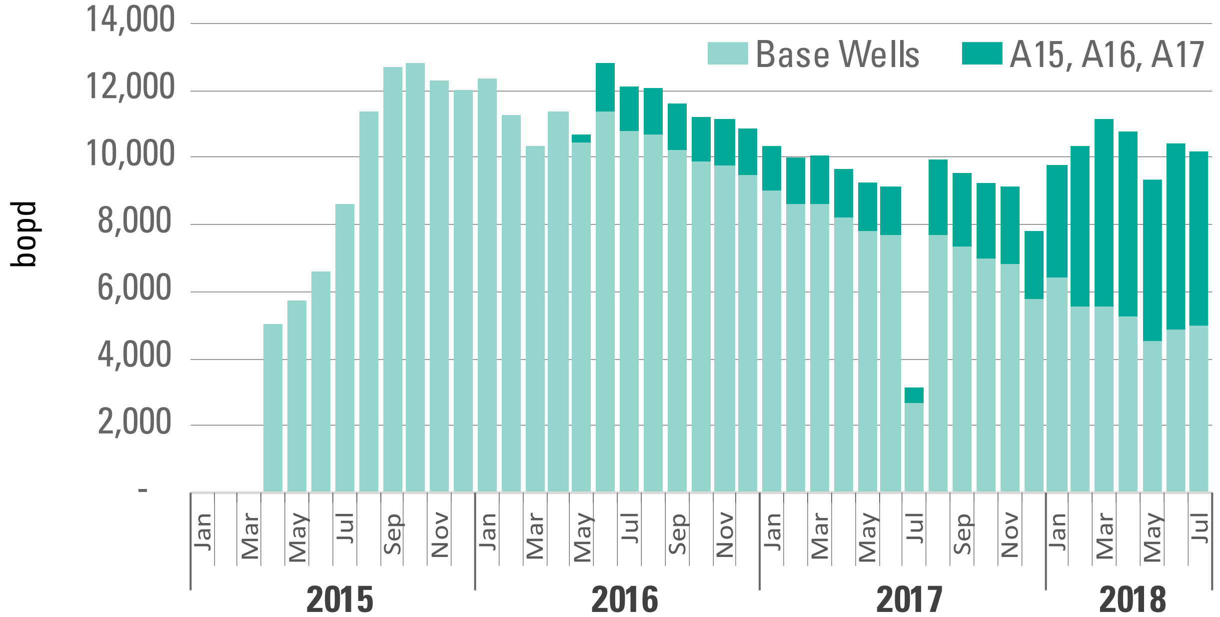
Coil Tubing Rig

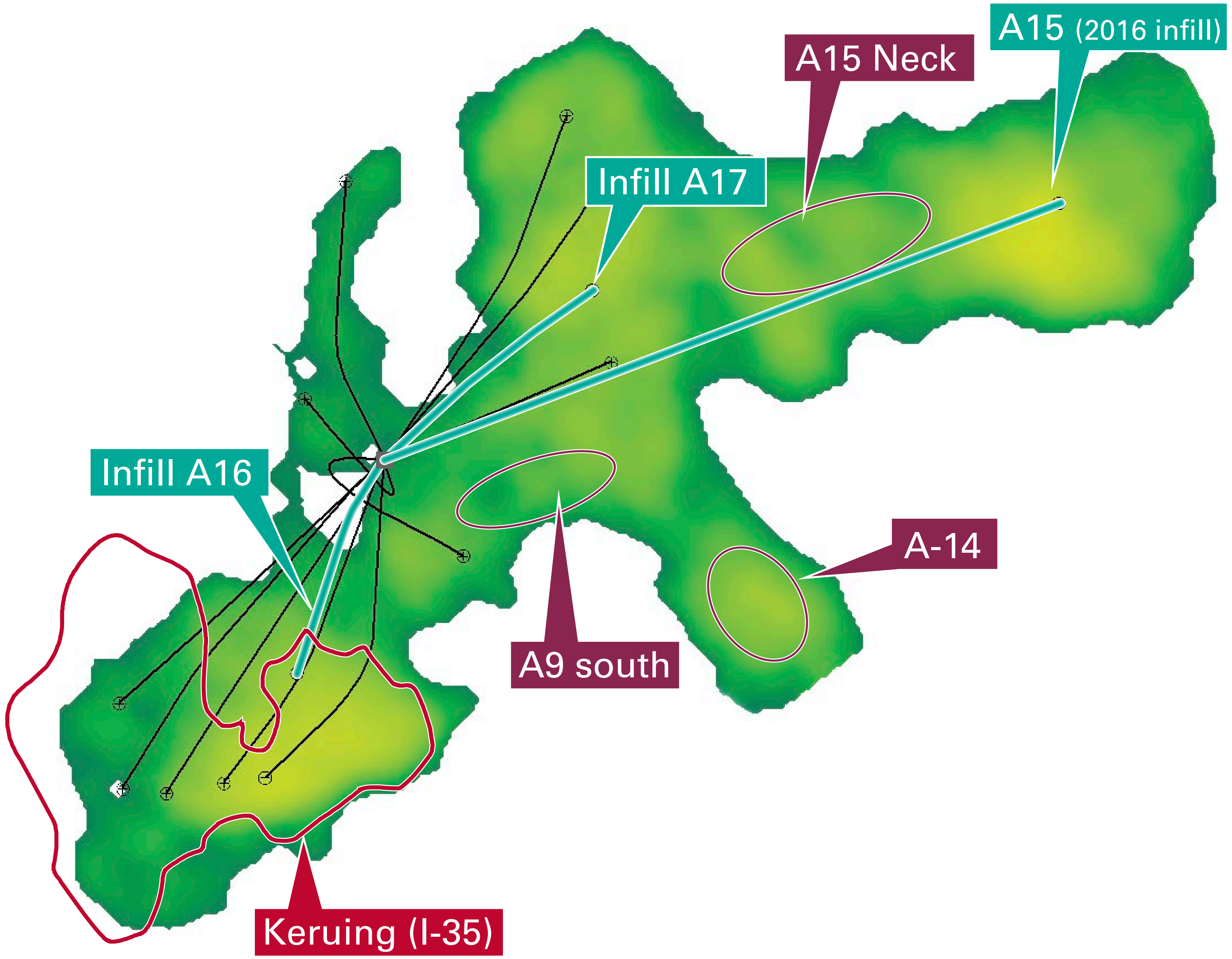
IPC - Malaysia - Bertam
Reservoir Performance

- **Production**
  - A15 area continues to perform in line with expectations
  - A16 / A17 performance ahead of CMD guidance

- **Growth**
  - Keruing exploration well approved in Q1
  - Up to 3 infill targets identified (A9 south, A15 neck, A14)

Bertam - Distribution of Oil Production (Gross)





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IPC - Malaysia - Keruing
Organic Growth

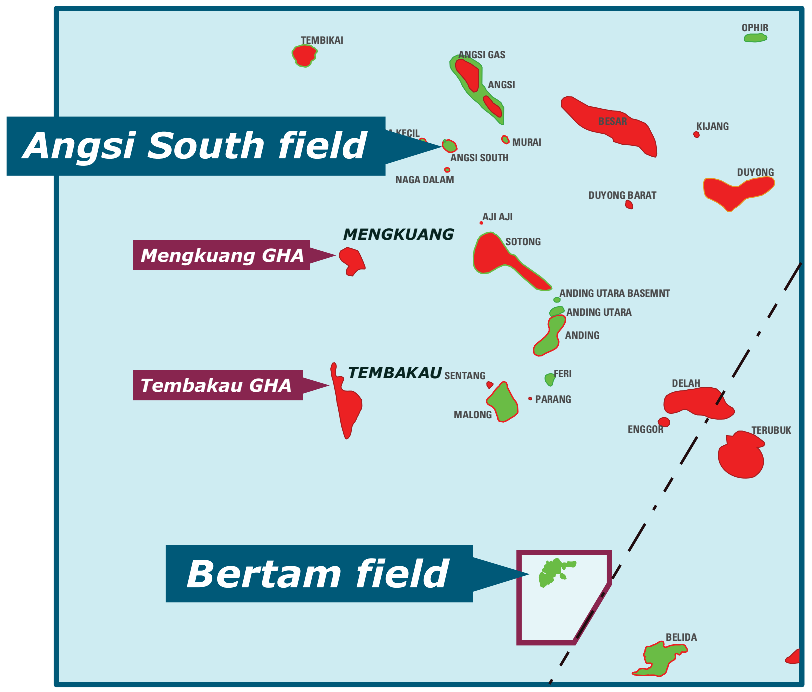
- **Opportunity Overview**
  - High quality tertiary sands in shallower I35 sands
  - Stratigraphic trap potential similar to Angsi South field
  - Structural closure case similar to infill targets
  - Charge is the main risk

- **Plan to drill late 2018, subject to regulatory approval and rig contract**

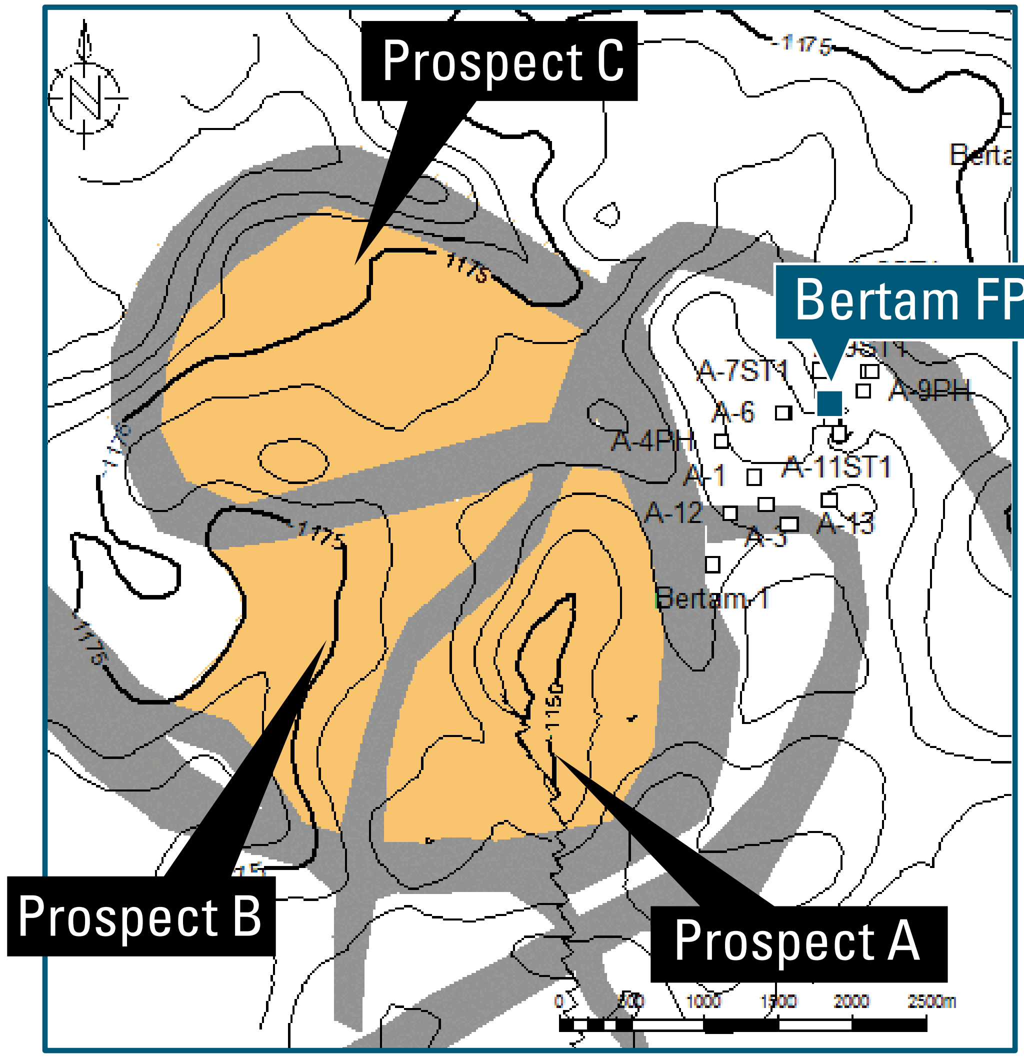
- **Gross unrisked prospective resources 2.7–7.2–15.7 MMboe (Low–Mid–High)[(1)]**

- **Simple high value tie back in success case**

Angsi South Field Map



Keruing Structural Map



[1)] *See MD&A and AIF, as at December 31, 2017*

IPC - France
Organic Growth

- **Development project maturation remains a focus**
  - Vert-La-Gravelle
    - Horizontal drilling
  - Villeperdue West
    - 3D seismic, acquired, processed and interpretation ongoing
    - Evaluating prospectivity of deeper Rhaetic prospect

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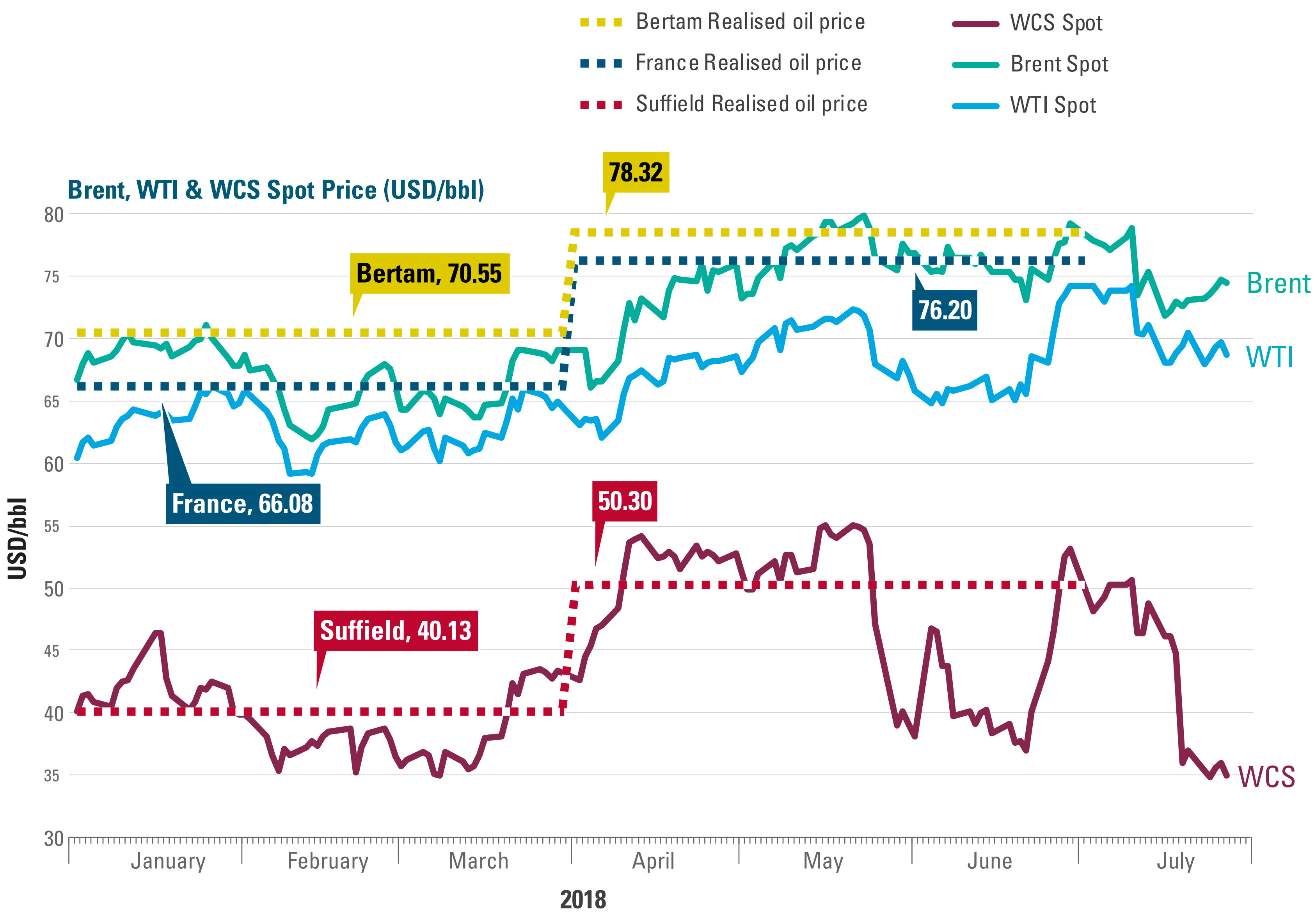
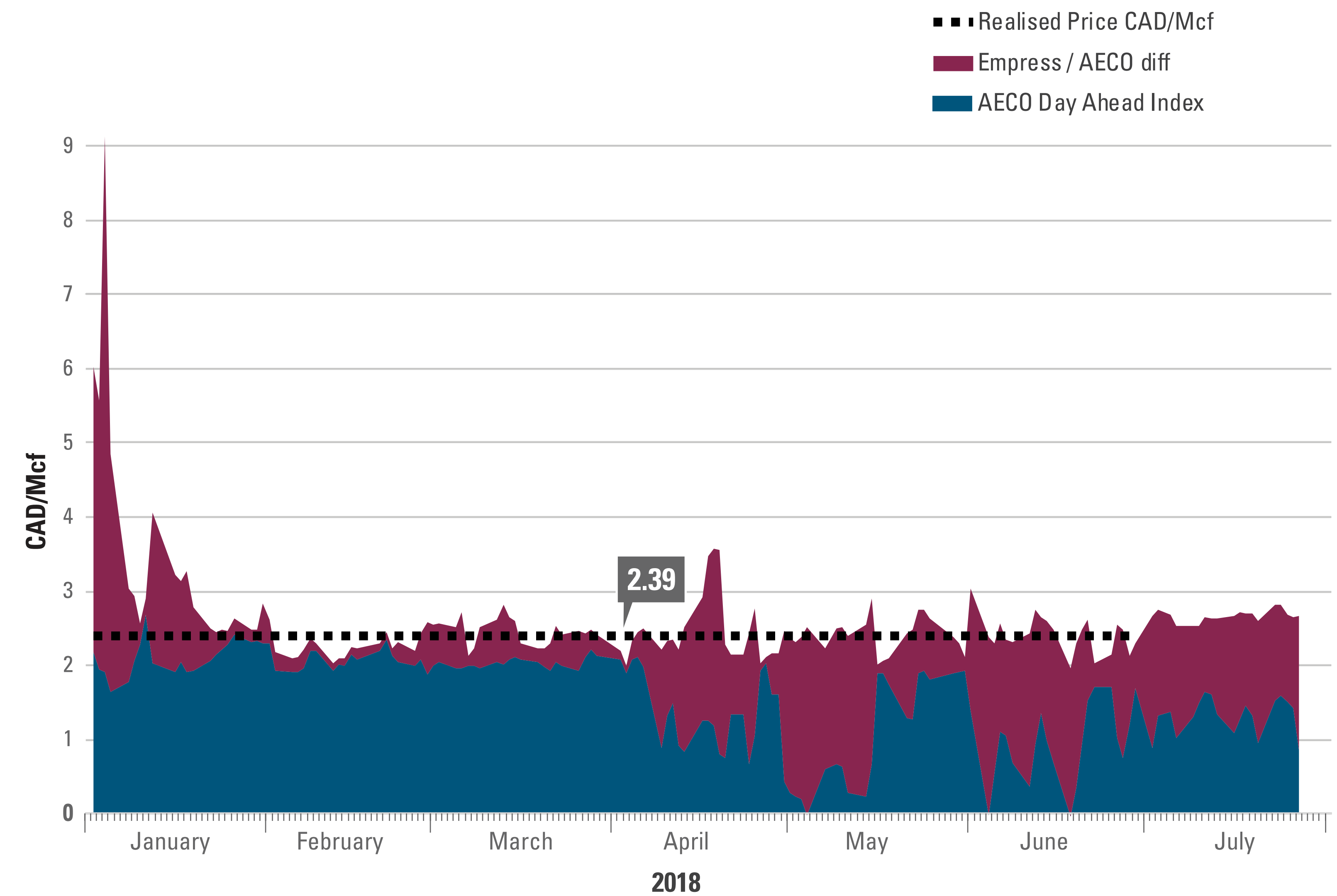
Realised Prices

▪ Brent, WTI, WCS and realised oil prices



▪ AECO, Empress and realised gas prices

– Realised price year to date in line with CMD guidance of 2.40 CAD/Mcf



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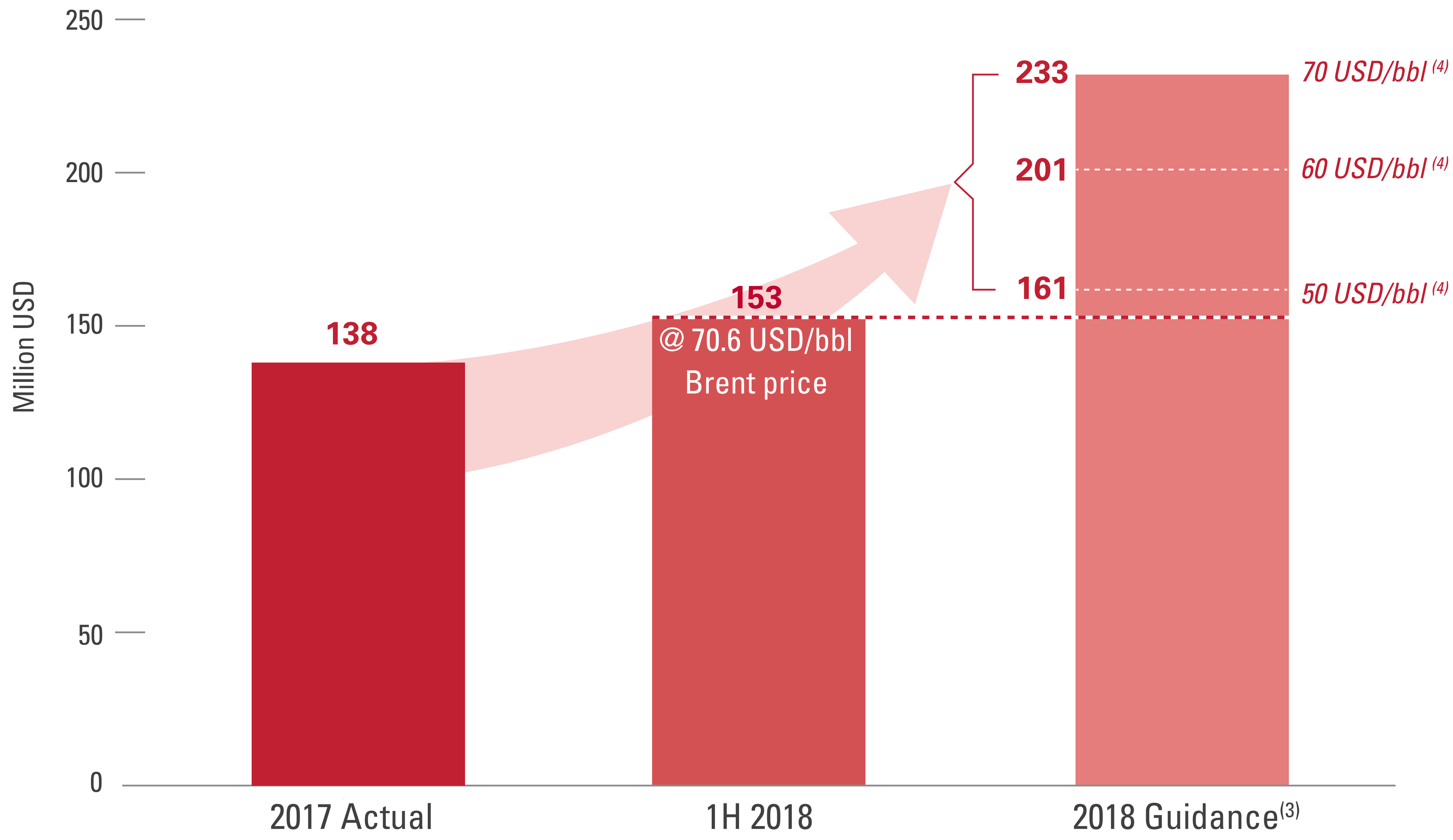
Operating Cash Flow[1]

- **First half operating cash flow => 66% of full year guidance[2]**
- **Net Debt[1] reduced by 28% to 255 MUSD since Suffield acquisition completion**



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1) *Non-IFRS measure, see MD&A* 2) *at 70 USD/bbl* 3) *Based upon original 2018 mid-point production guidance* 4) *Brent oil price assumptions*

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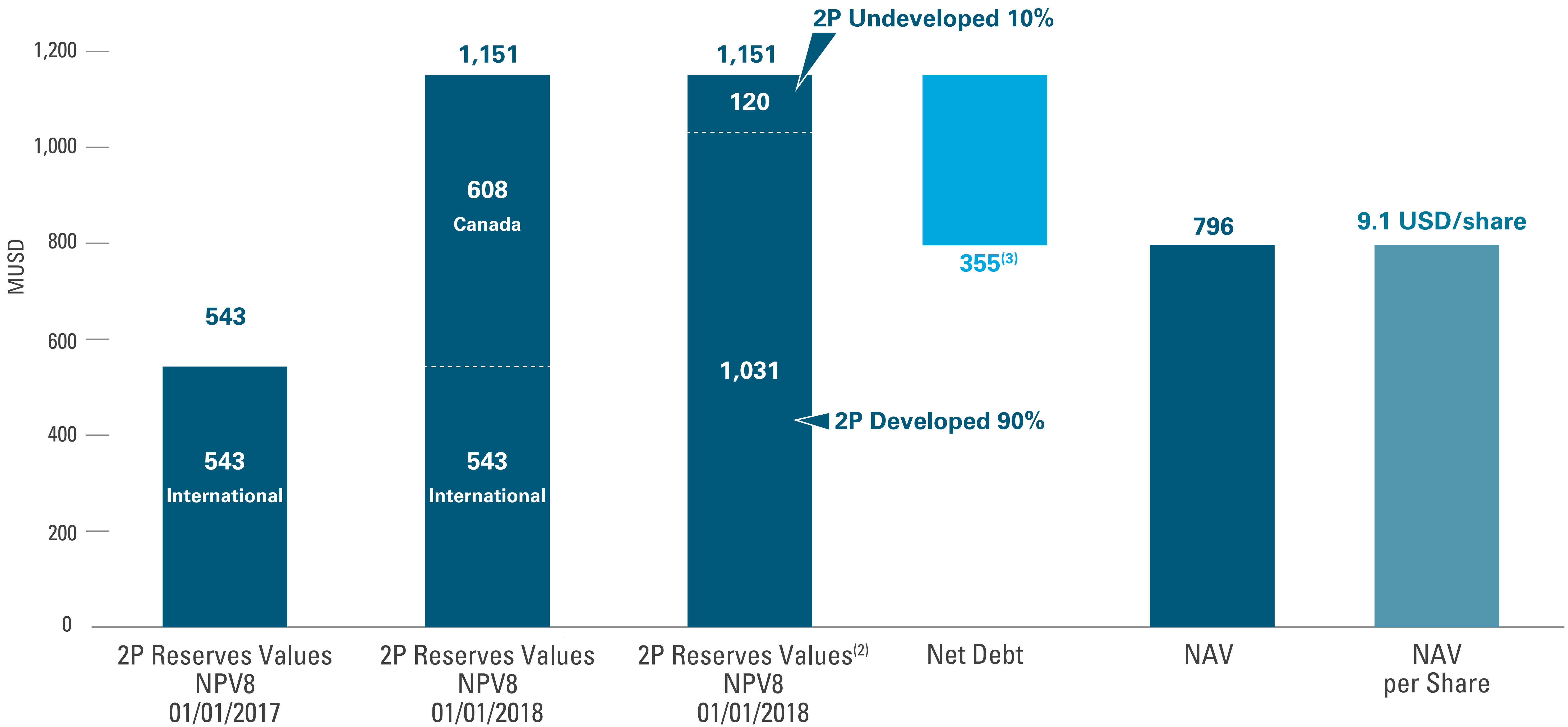
2P Reserves and Net Asset Value[1]



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1) *See MD&A and AIF, as at December 31, 2017, after giving effect to the Suffield acquisition (see also Press Release of February 26, 2018)*

2) *Following A16 / A17 infill drilling* 3) *Net debt as at January 5, 2018 (Non-IFRS measure, see MD&A)*

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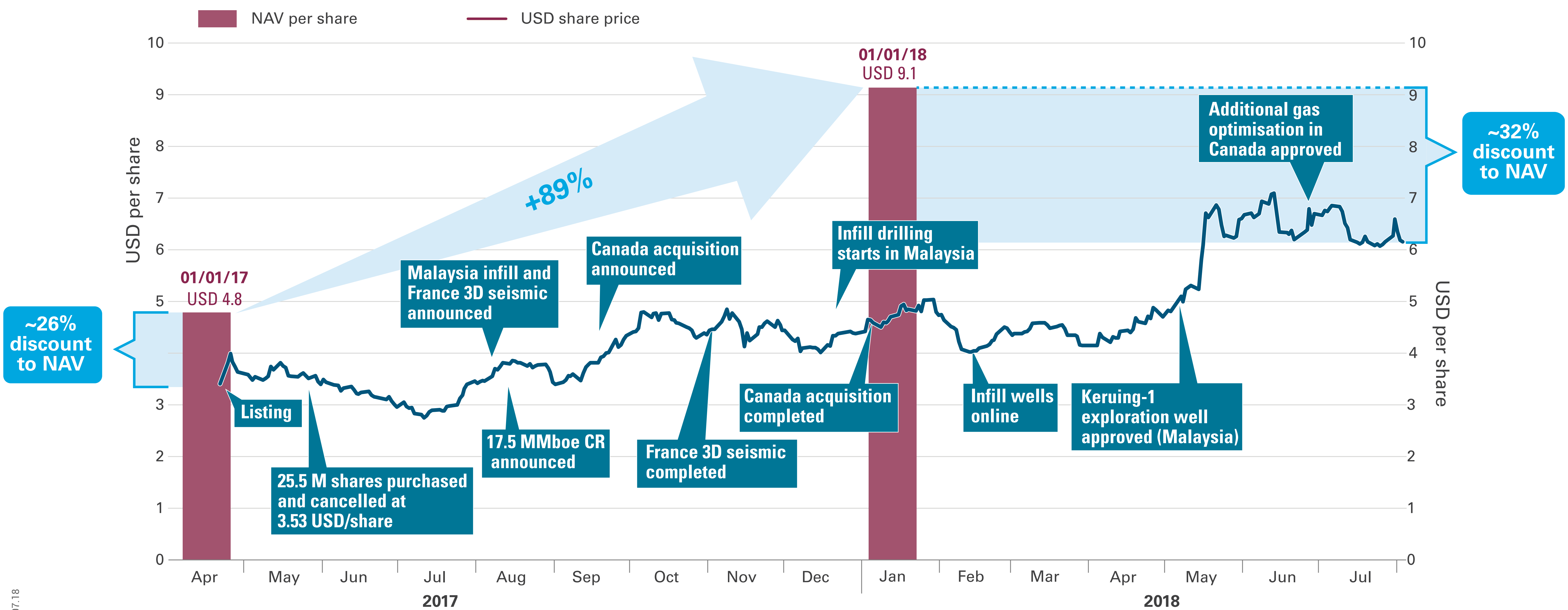
Net Asset Value Per Share vs Share Price[1]



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1) *See MD&A, AIF and Press Release of February 26, 2018*

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Second Quarter 2018 Financial Highlights

First Half 2018

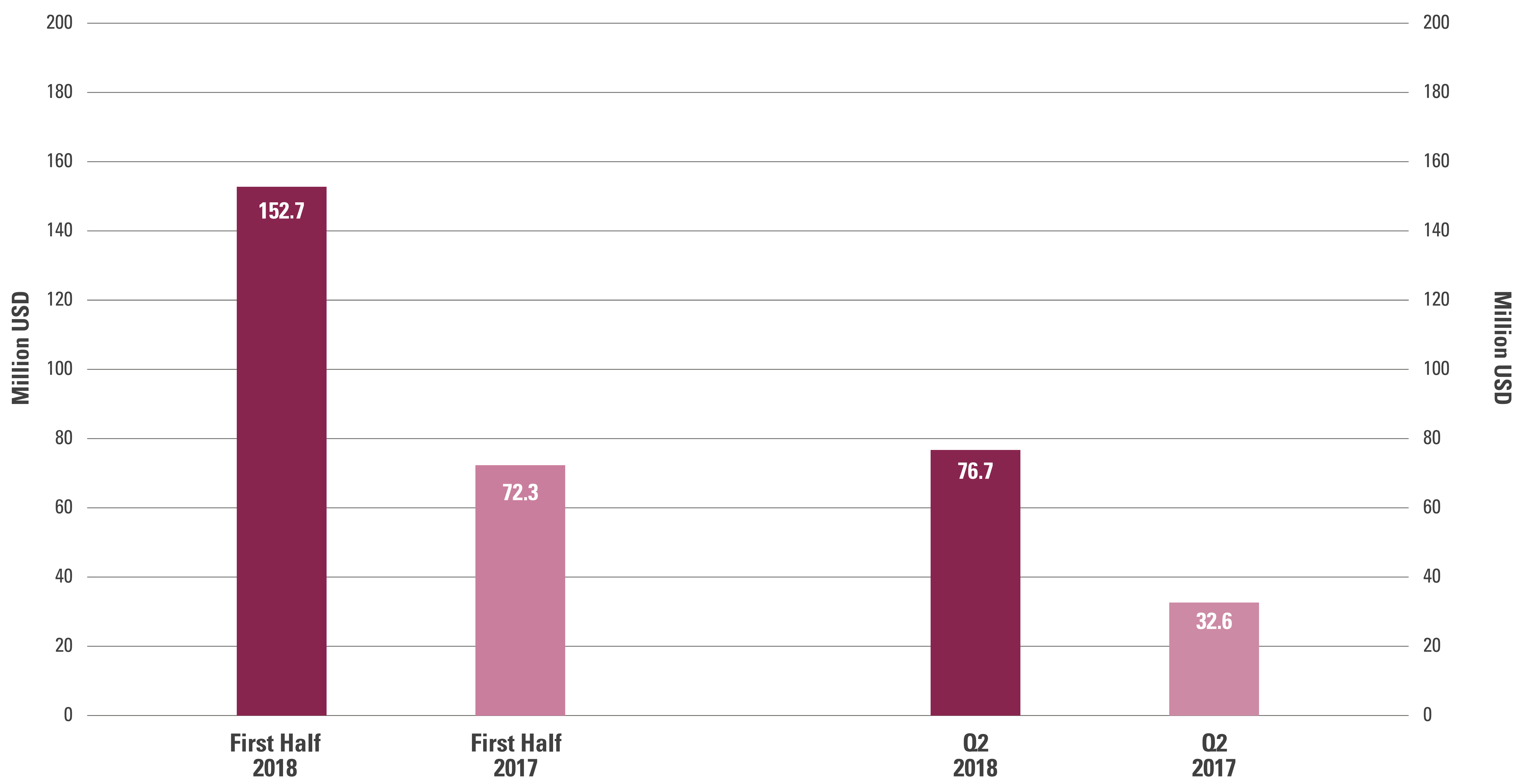
Financial Highlights

	Second Quarter 2018	First Half 2018
Production (boepd)	34,900	33,900
Average Dated Brent Oil Price (USD/boe)	74.4	70.6
Operating costs (USD/boe)[1]	12.0	12.2
Operating cash flow (MUSD)[1]	76.7	152.7
EBITDA (MUSD)[1]	74.5	139.8
Net result (MUSD)	21.5	47.8

[1] Non-IFRS Measures, see MD&A

First Half 2018

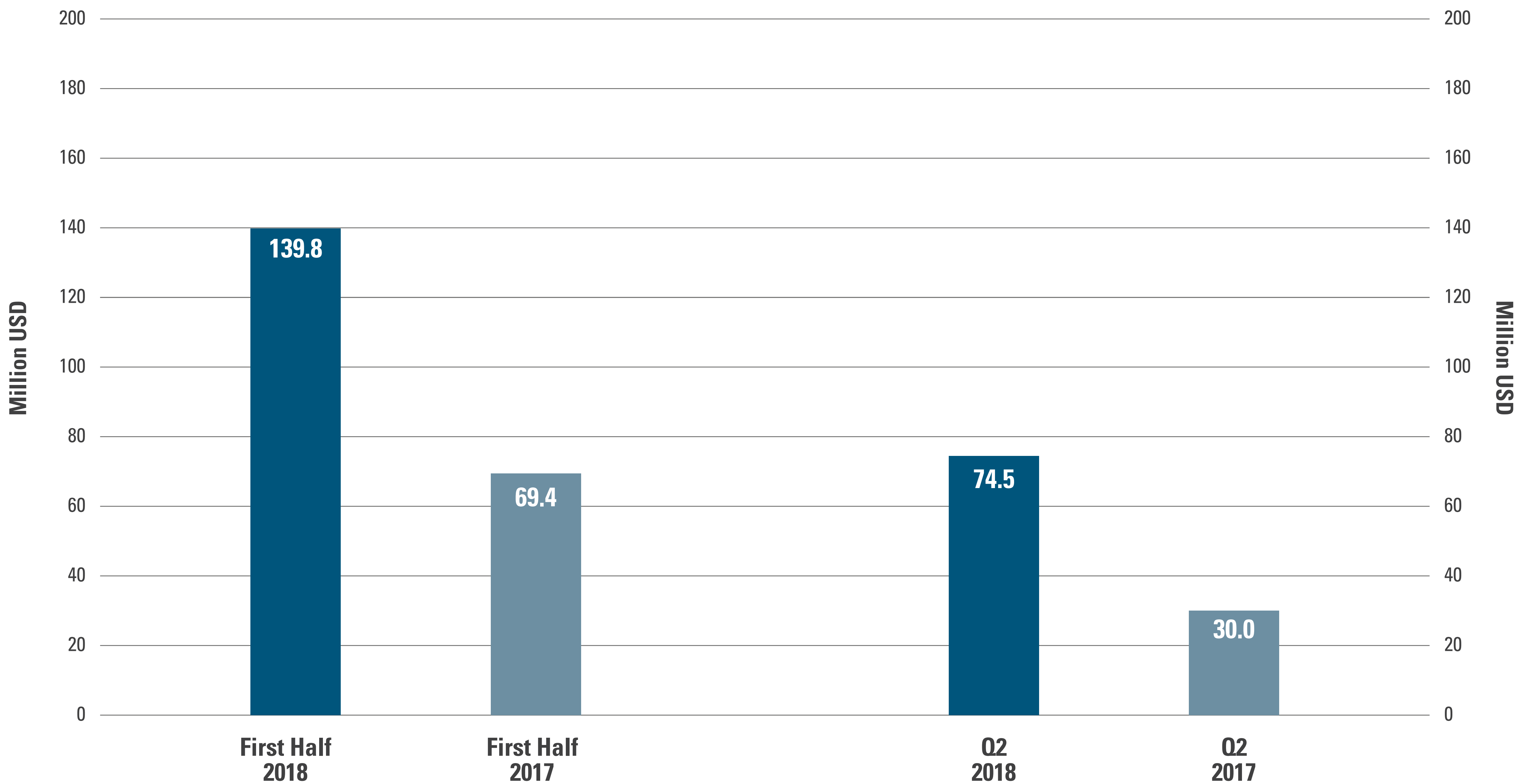
Financial Results – Operating Cash Flow[1]



[1] *Non-IFRS Measures, see MD&A*

First Half 2018

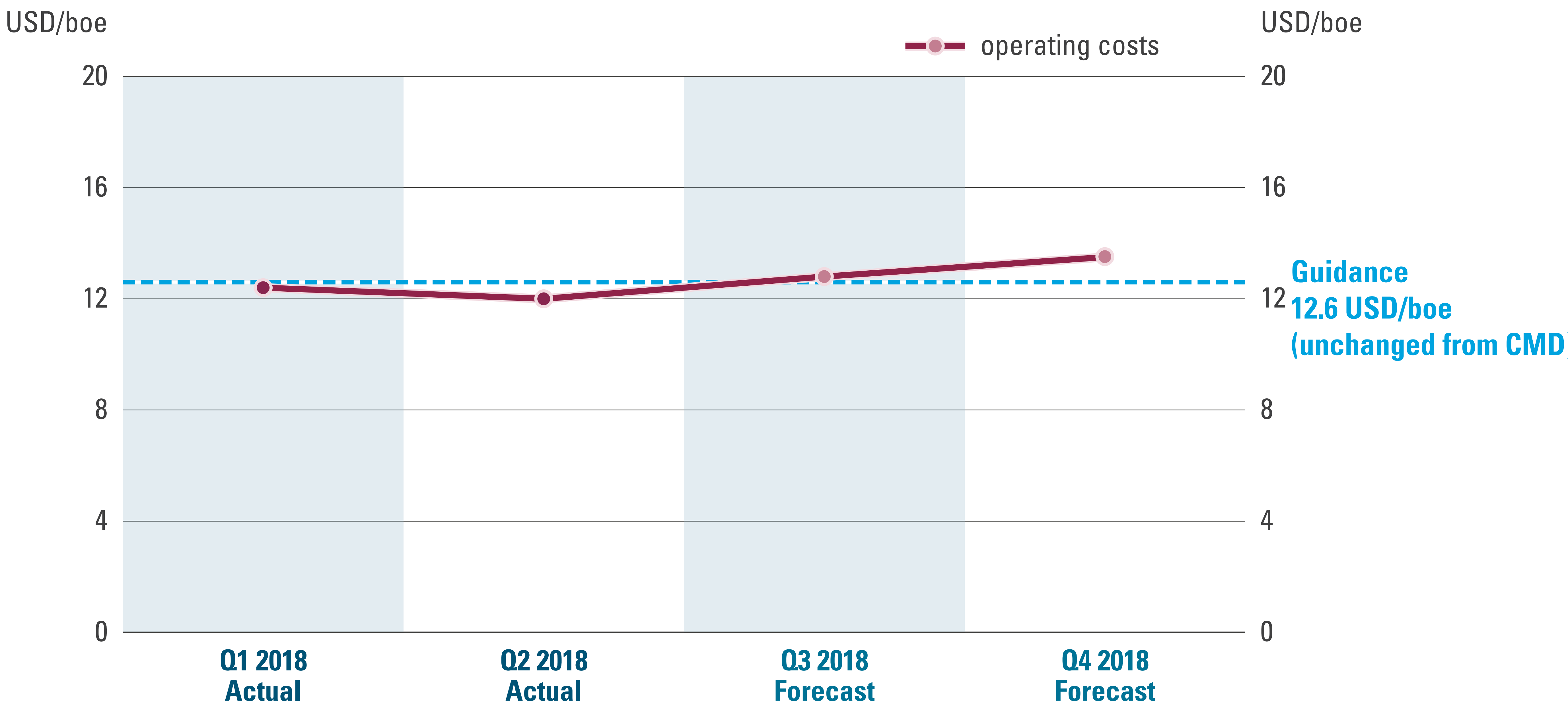
Financial Results – EBITDA [(1)]



[1] *Non-IFRS Measures, see MD&A*

First Half 2018

Operating Costs [1]



[1] *Non-IFRS Measures, see MD&A*

First Half 2018

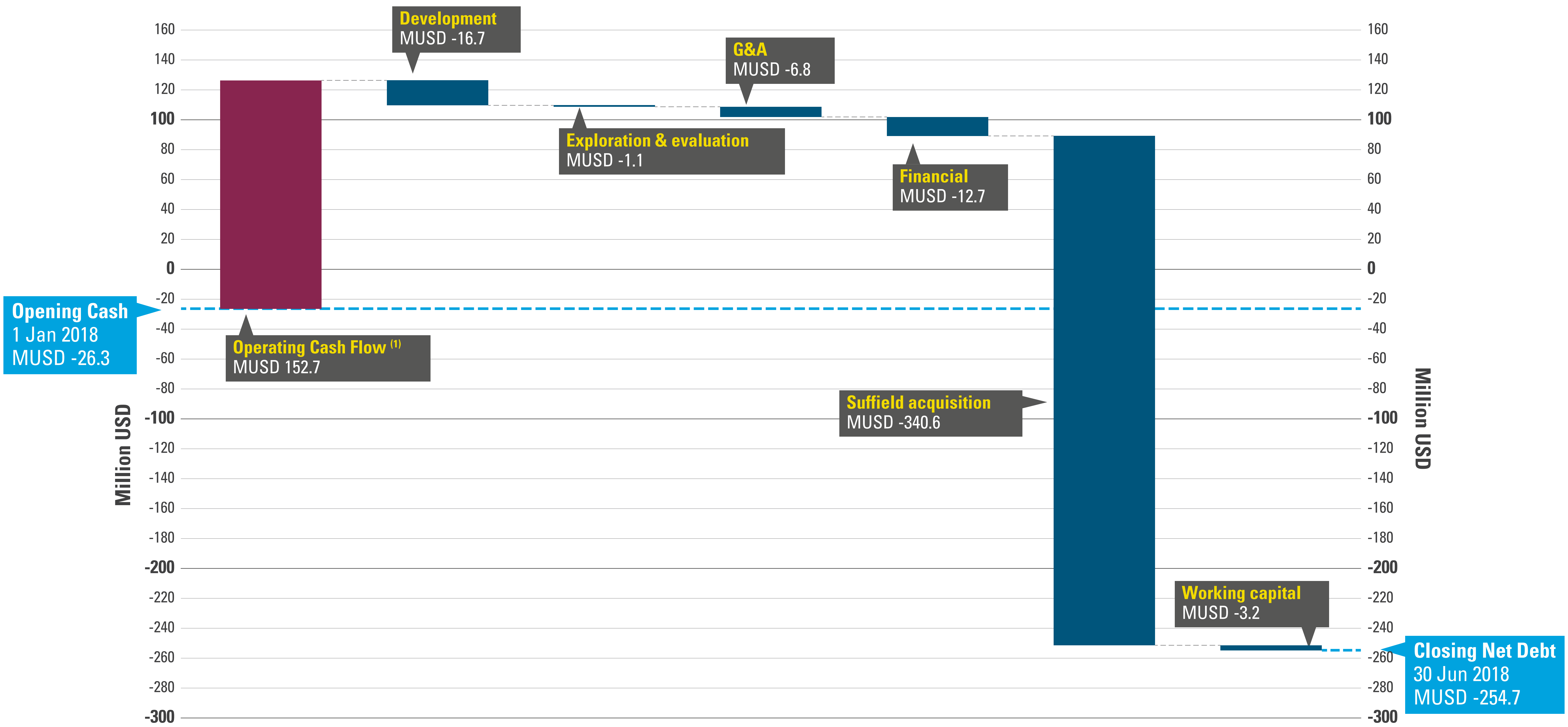
Netback[(1)] (USD/boe)

	Second Quarter 2018	First Half 2018
Average Dated Brent oil price	*(74.4 USD/bbl)*	*(70.6 USD/bbl)*
Revenue	38.0	38.4
Cost of operations	-10.1	-10.1
Tariff and transportation	-1.3	-1.5
Production taxes	-0.6	-0.6
Operating costs[2]	-12.0	-12.2
Cost of blending	-2.3	-2.3
Inventory movements	0.8	–
Revenue – production costs	**24.5**	**23.9**
Cash taxes	-0.3	1.0
Operating cash flow[2]	**24.2**	**24.9**
General and administration costs[3]	-1.0	-1.1
EBITDA[2]	**23.5**	**22.8**

[1] *Based on production volumes* [2] *Non-IFRS Measures, see MD&A* [3] *Adjusted for depreciation*

First Half 2018

Net Debt [1]



[1] *Non-IFRS Measures, see MD&A*

First Half 2018

G&A / Financial Items

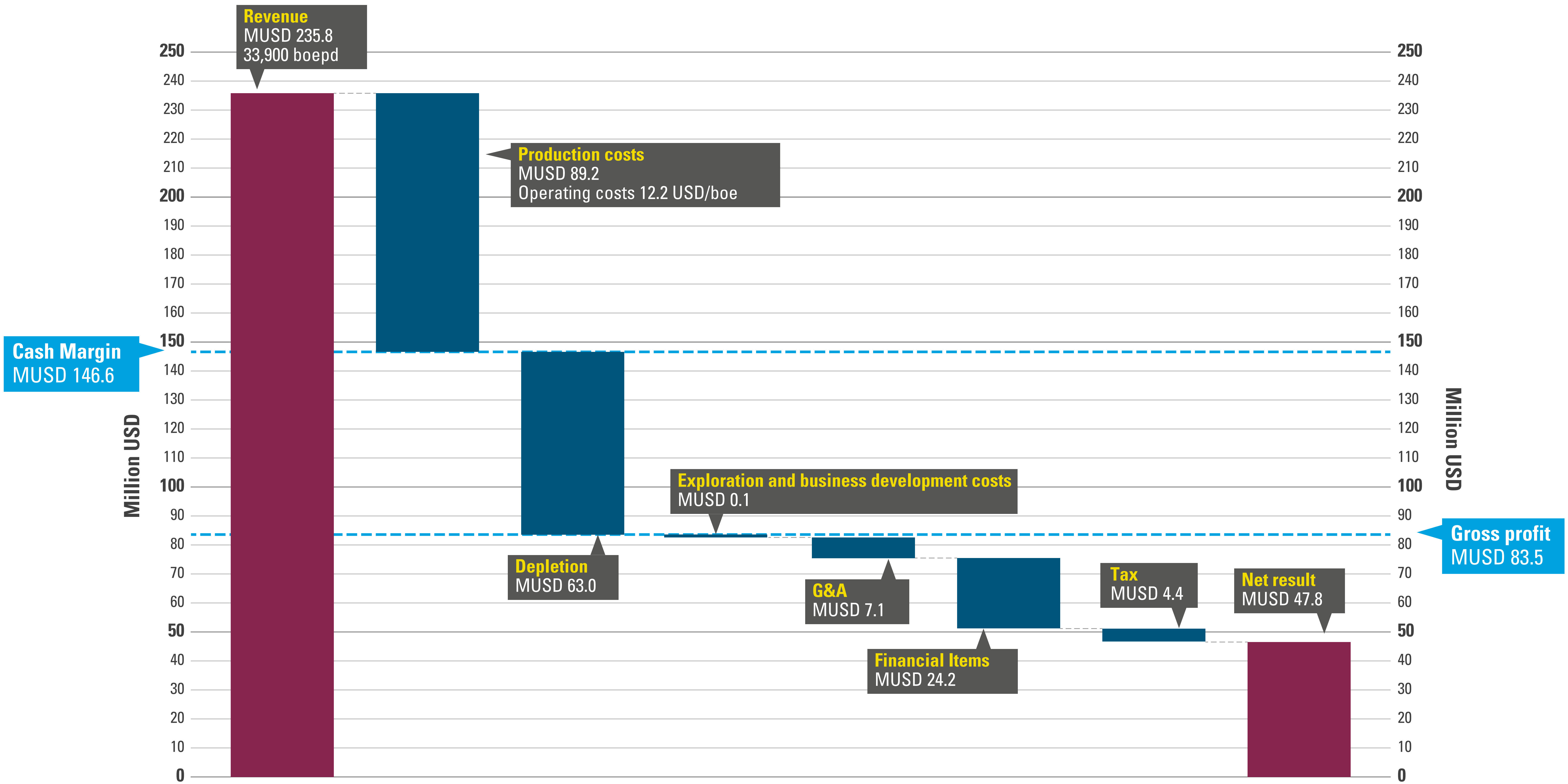
MUSD	Second Quarter 2018	First Half 2018
G&A	3.3	6.8
G&A – Depreciation	0.1	0.3
G&A Expense	**3.4**	**7.1**

	Second Quarter 2018	First Half 2018
Interest expense	4.0	8.4
Amortisation of deferred financing fees	1.1	1.8
Loan facility commitment fees	0.2	0.3
Unwinding of site restoration discount	2.3	4.7
Foreign exchange loss, net[(1)]	8.2	9.6
Other	-0.8	-0.6
Net Finance Costs	**15.0**	**24.2**

[1] *Mainly non-cash, driven by the revaluation of external and intra-group loans*

First Half 2018

Financial Results



First Half 2018

Balance Sheet

MUSD	30 Jun 2018	31 Dec 2017
Assets		
Oil and gas properties	713.1	319.8
Other non-current assets	112.5	135.4
Current assets	104.8	134.5
	930.4	**589.7**
Liabilities		
Financial liabilities	258.7	59.3
Provisions	177.4	105.9
Other non-current liabilities	59.0	53.9
Current liabilities	81.2	63.7
Equity	354.1	306.9
	930.4	**589.7**

First Half 2018

Subsequent Q2 Events

- 60 MCAD second lien facility fully repaid and cancelled
- Final 15 MCAD repaid on August 3
- Lower cost of capital going forward

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Production Guidance	- Q2 production at **34,900** boe/d, 6% higher than Q1 production and at the upper end of CMD guidance - 30,000 to 34,000 boe/d full year guidance revised to **32,500 to 34,000** boe/d
Operating Costs [1]	- Q2 ahead of guidance at **12.0** USD/boe, year to date **12.2** USD/boe - Full year guidance retained at **12.6** USD/boe
Organic Growth	- Capital programme increase to **44** MUSD (Q1 39.4 MUSD) - Approved additional capital budget in Q2 for gas optimisation in Canada

Operating Cash Flow	- Strong cash flow generation
	  - First Half OCF of **152.7** MUSD; 66% of full year guidance at 70 USD/bbl
	  - Net debt[1] down from **355 to 255** MUSD

Shareholder Value [2]	- Post Suffield acquisition in Canada:
	  - **89%** increase in 2P reserves value per share; 90% of 2P reserves value are producing
	  - Currently **32%** discount to NAV per share

Business Development	- Opportunistic approach to further acquisitions

1) Non-IFRS measure, see MD&A

2) See MD&A and AIF, as at December 31, 2017, after giving effect to the Suffield acquisition (see also Press Release of February 26, 2018)

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Reader Advisory

Forward Looking Statements
This presentation 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 presentation are expressly qualified by this cautionary statement. Forward-looking statements speak only as of the date of this presentation, unless otherwise indicated. IPC does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws.

All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, forecasts, guidance, budgets, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "forecast", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "budget" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements include, but are not limited to, statements with respect to: our intention to continue to implement our strategies to build long-term shareholder value; IPC's intention to review future potential growth opportunities; our belief that our resource base will provide feedstock to add to reserves in the future; the ability of our high quality portfolio of assets to provide a solid foundation for organic and inorganic growth; organic growth opportunities in France, including the Villeperdue and the Vert-la-Gravelle projects and potential deeper prospectivity with the new 3D area acquired in 2017; results of previous infill drilling and the potential for future infill drilling in Malaysia; the drilling of the Keruing exploration prospect in Malaysia and the development options if drilling is successful; future development potential of the Suffield operations, including oil drilling and gas optimization; potential acquisition opportunities; estimates of reserves; estimates of contingent resources; estimates of prospective resources; the ability to generate free cash flows and use that cash to repay debt and to continue to deleverage; and future drilling and other exploration and development activities. Statements relating to "reserves"; "contingent resources" and "prospective resources" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and that the reserves and resources can be profitably produced in the future. Ultimate recovery of reserves or resources is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

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

Although IPC believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because IPC can give no assurances that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, resources, production, revenues, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; 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 and environmental 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 Corporation's Annual Information Form (AIF) for the year ended December 31, 2017 (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).

Non-IFRS Measures
References are made in this presentation to "operating cash flow" (OCF), "Earnings Before Interest, Tax, Depreciation and Amortization" (EBITDA), "operating costs" and "net debt"/"net cash", which are not generally accepted accounting measures under International Financial Reporting Standards (IFRS) and do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with definitions of OCF, EBITDA, operating costs and net debt/net cash that may be used by other public companies. Non-IFRS measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

Management believes that OCF, EBITDA, operating costs and net debt/net cash are useful supplemental measures that may assist shareholders and investors in assessing the cash generated by and the financial performance and position of the Corporation. Management also uses non-IFRS measures internally in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess the Corporation's ability to meet its future capital expenditure and working capital requirements. Management believes these non-IFRS measures are important supplemental measures of operating performance because they highlight trends in the core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management believes such measures allow for assessment of the Corporation's operating performance and financial condition on a basis that is more consistent and comparable between reporting periods. The Corporation also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers.

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

Disclosure of Oil and Gas Information
This presentation 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, prospective resource estimates and estimates of future net revenue in respect of IPC's oil and gas assets in France, Malaysia and the Netherlands are effective as of December 31, 2017 and were prepared by IPC and audited by ERC Equipoise Ltd. (ERCE), an independent qualified reserves auditor, 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 McDaniel's January 1, 2018 price forecasts as referred to below.

Reserves estimates, contingent resource estimates and estimates of future net revenue in respect of IPC's oil and gas assets in Canada are effective as of January 5, 2018, being the completion date for the acquisition of these assets by IPC, and were evaluated by McDaniel & Associates Consultants Ltd. (McDaniel), an independent qualified reserves evaluator, in accordance with NI 51-101 and the COGE Handbook, and using McDaniel's January 1, 2018 price forecasts. The volumes are reported and aggregated by IPC in this presentation as being as at December 31, 2017.

The price forecasts used in the reserve audit / evaluation are available on the website of McDaniel (www.mcdan.com), and are contained in the AIF.

The reserve life index (RLI) is calculated by dividing the 2P reserves of 129.1 MMboe as at December 31, 2017, after giving effect to the Suffield acquisition in Canada, by the mid-point of the 2018 production guidance of 30,000 to 34,000 boepd. Reserves replacement ratio is based on 2P reserves of 29.4 MMboe as at December 31, 2016, production during 2017 of 3.7 MMboe, additions to 2P reserves during 2017 of 2.8 MMboe and 2P reserves of 28.5 MMboe as at December 31, 2017. Such figures do not include the reserves attributable to the acquisition of the Suffield Assets which completed on January 5, 2018.

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The assumptions underlying the net asset value per share are further described in the Corporation's press release dated February 26, 2018, available on the SEDAR website (www.sedar.com) or IPC's website (www.international-petroleum.com).

Light and medium crude oil reserves/resources disclosed in this presentation include solution gas and other by-products. 2P reserves" means IPC's gross 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.

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 development unclarified. Development unclarified is defined as a contingent resource that requires further appraisal to clarify the potential for development and has been assigned a lower chance of development until contingencies can be clearly defined. Chance of development is the probability of a project being commercially viable. Of the Corporation's 63.4 MMboe best estimate contingent resources (unrisked), 17.4 MMboe are light and medium crude oil, 7.4 MMboe are heavy crude oil and 38.6 MMboe are conventional natural gas.

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

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

Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Chance of discovery is the estimated probability that exploration activities will confirm the existence of a significant accumulation of potentially recoverable petroleum. There is no certainty that any portion of the prospective resources estimated in the report audited by ERCE and summarized in this document will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources audited. Estimates of the prospective resources should be regarded only as estimates that may change as additional information becomes available. Not only are such prospective resources estimates based on that information which is currently available, but such estimates are also subject to uncertainties inherent in the application of judgmental factors in interpreting such information. Prospective resources should not be confused with those quantities that are associated with contingent resources or reserves due to the additional risks involved. Because of the uncertainty of commerciality and the lack of sufficient exploration drilling, the prospective resources estimated in the report audited by ERCE and summarized in this document cannot be classified as contingent resources or reserves. The quantities that might actually be recovered, should they be discovered and developed, may differ significantly from the estimates in the report audited by ERCE and summarized in this document.

2P reserves and contingent resources audited by ERCE and evaluated by McDaniel have been aggregated in this presentation by IPC. Estimates of reserves, resources and future net revenue for individual properties may not reflect the same level of confidence as estimates of reserves, resources and future net revenue for all properties, due to aggregation. This presentation 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 presentation 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.

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

This presentation includes oil and gas metrics including "cash margin netback", "operating cash flow netback", "cash taxes", "EBITDA netback" and "profit netback". Such metrics do not have a standardized meaning under IFRS or otherwise, and as such may not be reliable. This information should not be used to make comparisons.

"Cash margin netback" is calculated on a per boe basis as oil and gas sales, less operating, tariff/transportation and production tax expenses. Netback is a common metric used in the oil and gas industry and is used by management to measure operating results on a per boe basis to better analyze performance against prior periods on a comparable basis.

"Operating cash flow netback" is calculated as cash margin netback less cash taxes. Operating cash flow netback is used to measure operating results on a per boe basis of cash flow.

"Cash taxes" is calculated as taxes payable in cash, and not only for accounting purposes. Cash taxes is used to measure cash flow.

"EBITDA netback" is calculated as cash margin netback less general and administration expenses. EBITDA netback is used by management to measure operating results on a per boe basis.

"Profit netback" is calculated as cash margin netback less depletion/depreciation, general and administration expenses and financial items. Profit netback is used by management to measure operating results on a per boe basis.

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.

Currency
All dollar amounts in this presentation are expressed in United States dollars, except where otherwise noted. References herein to USD mean United States dollars. References herein to CAD mean Canadian dollars.

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