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International Petroleum Corporation

***Audited Consolidated Financial
Statements***

For the years ended December 31, 2025 and 2024



**International
Petroleum
Corp.**

Consolidated Financial Statements

For the years ended December 31, 2025 and 2024, AUDITED

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Consolidated Financial Statements

For the years ended December 31, 2025 and 2024, AUDITED

REPORT OF MANAGEMENT

The accompanying consolidated financial statements of International Petroleum Corporation ("IPC" or the "Corporation" and, together with its subsidiaries, the "Group") and other information contained in the management's discussion and analysis are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") as outlined in Part 1 of the Handbook of the Chartered Professional Accountants of Canada, and include some amounts that are based on management's estimates and judgment.

The Board of Directors carries out its responsibility for the consolidated financial statements principally through its Audit Committee, which is comprised solely of independent directors. The Audit Committee reviews the Group's annual consolidated financial statements and recommends its approval to the Board of Directors. The Corporation's auditors have full access to the Audit Committee, with and without management being present. These consolidated financial statements have been audited by PricewaterhouseCoopers LLP, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the shareholders.

(Signed) William Lundin
Director, President and Chief Executive Officer

(Signed) Christophe Nerguararian
Chief Financial Officer

Vancouver, Canada
February 10, 2026



Independent auditor's report

To the Shareholders of International Petroleum Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of International Petroleum Corporation and its subsidiaries (together, the Corporation) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statement of operations for the years ended December 31, 2025 and 2024;
- the consolidated statement of comprehensive income/(loss) for the years then ended;
- the consolidated balance sheet as at December 31, 2025 and 2024;
- the consolidated statement of cash flow for the years then ended;
- the consolidated statement of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
The impact of oil and gas reserves on oil and gas properties within net property, plant and equipment (PP&E) for the Malaysia segment	
Refer to note 1 – Corporate information and material accounting policies, note 2 - Critical accounting estimates and judgements, and note 9 - Property, plant and equipment to the consolidated financial statements.	Our approach to addressing the matter included the following procedures, among others:
The Malaysia segment had \$86.1 million of oil and gas properties within PP&E, as at December 31, 2025, and	<ul style="list-style-type: none">Tested how management determined the total proved and probable oil and gas reserves for the Malaysia segment, which included the following:

depletion charges were \$24.2 million for the year then ended. Oil and gas properties are depleted based on the year's production in relation to the estimated total proved and probable oil and gas reserves in accordance with the unit of production method. Significant assumptions developed by management used to determine the proved and probable oil and gas reserves include expected production volumes, future oil and gas prices, future development costs and future production costs. Independent qualified reserves auditors (management's experts) review these estimates.

We considered this a key audit matter due to i) the judgments by management, including the use of management's experts, when estimating the proved and probable oil and gas reserves and ii) a high degree of auditor judgment, subjectivity and effort in performing procedures relating to the significant assumptions.

- The work of management's experts was used in performing the procedures to evaluate the reasonableness of the proved and probable oil and gas reserves used to determine the depletion charges. As a basis for using this work, the competence, capabilities and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of data used by management's experts and an evaluation of their findings.
- Evaluated the reasonableness of significant assumptions used, including expected production volumes, future development costs and future production costs by considering current and past performance of the Corporation and whether these assumptions were consistent with evidence obtained in other areas of the audit, as applicable.
- Evaluated the reasonableness of future oil and gas prices by comparing them with third party industry forecasts.
- Recalculated the depletion charge for the Malaysia segment.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on

the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kory Wickenhauser.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta

February 10, 2026

Consolidated Statement of Operations

For the years ended December 31, 2025 and 2024, AUDITED

USD Thousands	Note	2025	2024
Revenue	3	685,888	797,783
Cost of sales			
Production costs	4	(427,623)	(448,218)
Depletion and decommissioning costs	3,9	(122,749)	(128,392)
Depreciation of other tangible fixed assets	3,9	(5,597)	(8,933)
Exploration and business development costs	3	(1,799)	(2,069)
Gross profit	3	128,120	210,171
Other income / (expense)		751	1,137
General and administrative expenses		(16,784)	(16,055)
Profit before financial items		112,087	195,253
Finance income	5	18,088	17,721
Finance costs	6	(83,853)	(77,430)
Net financial items		(65,765)	(59,709)
Profit before tax		46,322	135,544
Income tax expense	7	(17,380)	(33,325)
Net result		28,942	102,219
Net result attributable to:			
Shareholders of the Parent Company		28,938	102,202
Non-controlling interest		4	17
		28,942	102,219
Earnings per share – USD ¹	16	0.25	0.82
Earnings per share fully diluted – USD ¹	16	0.25	0.81

¹ Based on net result attributable to shareholders of the Parent Company

See accompanying notes to the consolidated financial statements

Consolidated Statement of Comprehensive Income/(Loss)

For the years ended December 31, 2025 and 2024, AUDITED

USD Thousands	Note	2025	2024
Net result		28,942	102,219
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss:			
Reclassification of hedging (gains)/losses to profit or loss	3, 6, 22	(14,650)	(22,370)
Gain/(loss) on cash flow hedges		34,700	(35,498)
Income tax relating to these items		(4,668)	13,753
Currency translation adjustments		50,651	(73,931)
Items that will not be reclassified to profit or loss:			
Re-measurements on defined pension plan	20	654	(3,491)
Total comprehensive income/(loss)		95,629	(19,318)
Total comprehensive income/(loss) attributable to:			
Shareholders of the Parent Company		95,620	(19,329)
Non-controlling interest		9	11
		95,629	(19,318)

See accompanying notes to the consolidated financial statements

Consolidated Balance Sheet

As at December 31, 2025 and 2024, AUDITED

USD Thousands	Note	December 31, 2025	December 31, 2024
ASSETS			
Non-current assets			
Exploration and evaluation assets	8	11,623	480
Property, Plant and Equipment	9	1,783,498	1,500,912
Right-of-use assets	10	3,070	3,103
Deferred tax assets	7	1,635	1,673
Derivative instruments	22, 23	1,285	–
Other non-current assets	11	46,216	48,665
Total non-current assets		1,847,327	1,554,833
Current assets			
Inventories	12	19,990	20,073
Trade and other receivables	13	97,220	127,450
Derivative instruments	22, 23	1,644	3,219
Current tax receivables		4,411	1,514
Cash and cash equivalents	14	7,037	246,593
Total current assets		130,302	398,849
TOTAL ASSETS		1,977,629	1,953,682
LIABILITIES			
Non-current liabilities			
Financial liabilities	18, 22	38,709	1,719
Bonds	18, 22	442,324	439,862
Lease liabilities	10	2,956	2,728
Provisions	19	284,202	268,509
Deferred tax liabilities	7	122,013	92,754
Derivative instruments	22, 23	–	562
Total non-current liabilities		890,204	806,134
Current liabilities			
Trade and other payables	21	149,708	176,371
Financial liabilities	18, 22	1,943	3,402
Derivative instruments	22, 23	422	19,869
Current tax liabilities		216	1,146
Lease liabilities	10	930	573
Provisions	19	7,029	6,717
Total current liabilities		160,248	208,078
EQUITY			
Shareholders' equity		927,029	939,315
Non-controlling interest		148	155
Net shareholders' equity		927,177	939,470
TOTAL EQUITY AND LIABILITIES		1,977,629	1,953,682

Approved by the Board of Directors

(Signed) C. Ashley Heppenstall
Director

(Signed) William Lundin
Director

See accompanying notes to the consolidated financial statements

Consolidated Statement of Cash Flow

For the years ended December 31, 2025 and 2024, AUDITED

USD Thousands	Note	2025	2024
Cash flow from operating activities			
Net result		28,942	102,219
Depletion, depreciation and amortization	3, 9, 10	129,754	138,566
Write-off of exploration costs	8	714	1,419
Income tax	7	17,380	33,325
Amortization of capitalized financing fees	6	4,370	2,057
Foreign currency exchange loss/(gain)	6	(14,654)	23,427
Interest income	5	(3,160)	(17,721)
Interest expense	6	41,983	35,905
Unwinding of asset retirement obligation discount	6	16,498	14,568
Change in pension liability	20	816	682
Share-based costs	17	9,562	8,539
Changes in working capital		10,449	(47,092)
Decommissioning costs paid	19	(5,967)	(7,711)
Other payments	19	(2,448)	(1,997)
Net income taxes paid		(3,500)	(6,362)
Interest received		3,620	18,619
Interest paid		(41,317)	(32,821)
Other		954	465
Net cash flow from operating activities		193,996	266,087
Cash flow used in investing activities			
Investment in oil and gas properties	9	(333,206)	(432,794)
Investment in exploration and evaluation assets	8	(12,362)	(1,919)
Disposal of assets	9	–	221
Investment in other tangible fixed assets		(640)	(363)
Net cash (outflow) from investing activities		(346,208)	(434,855)
Cash flow from financing activities			
Proceeds from borrowings	18	38,709	–
Repayment of borrowings	18	(3,178)	(3,910)
Bonds issuance proceeds	18	450,000	–
Repayment of Bonds	18	(450,000)	–
Paid financing fees		(8,765)	–
Repurchase of own shares ("NCIB")	15	(100,264)	(102,188)
Lease payment		(976)	(964)
Dividend paid		(16)	(41)
Net cash (outflow) from financing activities		(74,490)	(107,103)
Change in cash and cash equivalents		(226,702)	(275,871)
Cash and cash equivalents at the beginning of the year		246,593	517,074
Currency exchange difference in cash and cash equivalents		(12,854)	5,390
Cash and cash equivalents at the end of the year		7,037	246,593

See accompanying notes to the consolidated financial statements

Consolidated Statement of Changes in Equity

For the years ended December 31, 2025 and 2024, AUDITED

USD Thousands	Share capital and premium	Retained earnings	CTA	IFRS 2 reserve	MTM reserve	Pension reserve	Total	Non-controlling interest	Total equity
Balance at January 1, 2025	141,173	875,952	(81,192)	18,092	(13,138)	(1,572)	939,315	155	939,470
Net result	–	28,938	–	–	–	–	28,938	4	28,942
Re-measurements on defined pension plan	–	–	–	–	–	654	654	–	654
Cash flow hedges	–	–	–	–	15,382	–	15,382	–	15,382
Currency translation difference	–	–	50,598	867	(331)	(488)	50,646	5	50,651
Total comprehensive income	–	28,938	50,598	867	15,051	166	95,620	9	95,629
Repurchase of own shares ¹	(100,264)	–	–	–	–	–	(100,264)	–	(100,264)
Dividend Distribution	–	–	–	–	–	–	–	(16)	(16)
Share based costs	–	–	–	9,562	–	–	9,562	–	9,562
Share based payments ²	–	(8,198)	–	(9,006)	–	–	(17,204)	–	(17,204)
Balance at December 31, 2025	40,909	896,692	(30,594)	19,515	1,913	(1,406)	927,029	148	927,177

¹ See Note 15

² The third instalment of IPC RSP 2022 awards, the second instalment of IPC RSP 2023 awards, the first instalment of IPC RSP 2024 awards and the IPC PSP 2022 awards vested on February 1, 2025, at a price of CAD 18.89 per award. The difference between the value at vesting date and at grant (respectively CAD 9.09 per award, CAD 14.24 per award, CAD 14.82 per award and CAD 8.40 per award) was offset against retained earnings.

USD Thousands	Share capital and premium	Retained earnings	CTA	IFRS 2 reserve	MTM reserve	Pension reserve	Total	Non-controlling interest	Total equity
Balance at January 1, 2024	243,361	795,490	(10,745)	18,838	31,344	1,786	1,080,074	185	1,080,259
Net result	–	102,202	–	–	–	–	102,202	17	102,219
Re-measurements on defined pension plan	–	–	–	–	–	(3,491)	(3,491)	–	(3,491)
Cash flow hedges	–	–	–	–	(44,115)	–	(44,115)	–	(44,115)
Currency translation difference	–	–	(70,447)	(3,244)	(367)	133	(73,925)	(6)	(73,931)
Total comprehensive income	–	102,202	(70,447)	(3,244)	(44,482)	(3,358)	(19,329)	11	(19,318)
Repurchase of own shares ¹	(102,188)	–	–	–	–	–	(102,188)	–	(102,188)
Dividend distribution	–	–	–	–	–	–	–	(41)	(41)
Share based costs	–	–	–	8,629	–	–	8,629	–	8,629
Share based payments ²	–	(21,740)	–	(6,131)	–	–	(27,871)	–	(27,871)
Balance at December 31, 2024	141,173	875,952	(81,192)	18,092	(13,138)	(1,572)	939,315	155	939,470

¹ See Note 15

² The third instalment of IPC RSP 2021 awards, the second instalment of IPC RSP 2022 awards, the first instalment of IPC RSP 2023 awards and the IPC PSP 2021 awards vested on February 1, 2024, at a price of CAD 14.90 per award. The difference between the value at vesting date and at grant (respectively CAD 4.07 per award, CAD 9.09 per award, CAD 14.27 per award and CAD 3.61 per award) was offset against retained earnings.

See accompanying notes to the consolidated financial statements

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024, AUDITED

1. CORPORATE INFORMATION AND MATERIAL ACCOUNTING POLICIES

A. The Group

International Petroleum Corporation ("IPC" or the "Corporation" and, together with its subsidiaries, the "Group") is in the business of 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.

The Corporation's common shares are listed on the Toronto Stock Exchange in Canada and the Nasdaq Stockholm Exchange in Sweden. The Corporation is incorporated and domiciled in British Columbia, Canada under the Business Corporations Act. The address of its registered office is Suite 3500, 1133 Melville Street, Vancouver, BC V6E 4E5, Canada and its business address is Suite 2800, 1055 Dunsmuir Street, Vancouver, BC V7X 1L2, Canada.

B. Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These consolidated financial statements are presented in United States Dollars (USD), which is the Group's presentation and functional currency. The consolidated financial statements have been prepared on a historical cost basis, except for items that are required to be accounted for at fair value as detailed in the Group's accounting policies. Intercompany transactions and balances have been eliminated.

These consolidated financial statements have been approved by the Board of Directors of IPC and authorized for issuance on February 10, 2026.

C. Change in presentation

Certain comparative figures have been reclassified to conform with the financial statements presentation in the current year.

D. Going concern

The Group's consolidated financial statements for the year ended December 31, 2025, have been prepared on a going concern basis, which assumes that the Group will be able to realize its assets and discharge its liabilities in the normal course of business as they become due in the foreseeable future.

E. Changes in accounting policies and disclosures

During the year ended December 31, 2025, the Group applied the amended accounting standards, interpretations and annual improvement points that are effective as of January 1, 2025. The application of the amendments did not have a material impact on the consolidated financial statements.

There are no plans for the early adoption of published standards, interpretations, or amendments prior to their mandatory effective date. The Group does not expect that other changes in IFRS Accounting Standards will have a material impact on the consolidated financial statements.

F. Future accounting changes

Recent amendments to IFRS 9 and related IFRS 7 disclosure requirements address the settlement of financial liabilities via electronic payment systems and refine the assessment of contractual cash flow characteristics for financial assets. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. These changes are not expected to have a material impact on the financial statements.

IFRS 18 replaces IAS 1 and introduces expanded requirements for how financial information is presented and disclosed. The standard adds new subtotals, categories for income and expenses, and mandates disclosure of management performance measures. It also enhances rules around aggregation and disaggregation. Adoption is retrospective, and the Corporation is currently assessing system changes, preparing draft disclosures, and planning comparative restatements ahead of the 2027 effective date.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024, AUDITED

G. Basis of Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control and are consolidated. The Corporation controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The non-controlling interest in a subsidiary represents the portion of the subsidiary not owned by Group companies. The equity of the subsidiary relating to the non-controlling shareholders is shown as a separate item within changes in net equity.

Inter-company transactions, balances, income and expenses on transactions between companies are eliminated. Profits and losses resulting from intercompany transactions that are recognized in assets are also eliminated.

H. Joint Arrangements

Oil and gas operations of the Group are conducted as co-licensees in unincorporated joint ventures with other companies and are classified as joint operations. The consolidated financial statements reflect the relevant proportions of production, capital costs, operating costs and current assets and liabilities of the joint operation applicable to the Corporation's interests.

I. Foreign Currency Translation

Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date and foreign exchange currency differences are recognized in the consolidated statement of operations. Transactions in foreign currencies are translated at exchange rates prevailing at the transaction date. Foreign exchange gains and losses are presented within finance income and costs in the consolidated statement of operations.

Functional and presentation currency

Items included in the financial statements of each of the operational entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Corporation's operational entities are the USD, CAD, MYR and EUR. The consolidated financial statements are presented in USD which is the Corporation's presentation currency. The balance sheets and income statements of foreign companies are translated using the current rate method. All assets and liabilities are translated at the balance sheet date rates of exchange, whereas the income statements are translated at average rates of exchange for the year, except for transactions where it is more relevant to use the rate of the day of the transaction. The translation differences which arise are recorded directly in net assets.

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

	December 31, 2025		December 31, 2024	
	Average	Year end	Average	Year end
1 EUR equals USD	1.1293	1.1750	1.0821	1.0389
1 USD equals CAD	1.3975	1.3692	1.3698	1.4388
1 USD equals MYR	4.2791	4.0580	4.5759	4.4715

J. Classification of assets and liabilities

Non-current assets, long-term liabilities and provisions consist of amounts that are expected to be recovered or paid more than twelve months after the balance sheet date. Current assets and current liabilities consist solely of amounts that are expected to be recovered or paid within twelve months after the balance sheet date.

K. Exploration and evaluation assets

Costs directly associated with an exploration well are capitalized until the determination of reserves is evaluated. If it is determined that a commercial discovery has not been achieved or if there is a decision to not continue with a field specific exploration program, the costs will be expensed at the time the decision is made. During the exploration and development phases, no depletion is charged. The field will be transferred from the non-producing assets to the producing assets within oil and gas properties once production commences and accounted for as a producing asset.

L. Property, Plant and Equipment

Oil and gas properties

Oil and gas properties are recorded at historical cost less depletion. All costs for acquiring concessions, licences or interests in production sharing contracts and for the survey, drilling and development of such interests are capitalized on a field area cost center basis. Routine maintenance costs for producing assets are expensed to the statement of operations when they occur.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024, AUDITED

Oil and gas properties are depleted based on the year's production in relation to estimated total proved and probable reserves of oil and gas in accordance with the unit of production method. Depletion of a field area is charged to the statement of operations through cost of sales once production commences.

Proved reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and governmental regulations. Proved reserves can be categorized as developed or undeveloped. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimates.

Probable reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves.

Proceeds from the sale or farm-out of oil and gas concessions in the exploration stage are offset against the related capitalized costs of each cost center with any excess of net proceeds over the costs capitalized included in the statement of operations. In the event of a sale in the exploration stage, any deficit is included in the statement of operations.

When there are facts and circumstances that suggest that the net book value of capitalized costs within each field area cost center is higher than anticipated future net cash flow from oil and gas reserves attributable to the Corporation's interest in the related field areas, the Corporation performs an assessment as to whether an asset may be impaired. Management determines the recoverable amounts of property, plant and equipment based on the higher of fair value less costs of disposal and value in use using estimated future discounted net cash flows of proved and probable oil and gas reserves. The Corporation's estimates of proved and probable oil and gas reserves used in the calculations for impairment tests and accounting for depletion are reviewed annually by Management's experts, specifically independent qualified reserves auditor ("IQRE").

The recoverable amount of the asset or cash-generating unit ("CGU") is estimated as the higher of fair value less costs of disposal ("FVLCD") and value in use ("VIU"). In determining FVLCD, recent market transactions are considered, if available. In the absence of such transactions, FVLCD is estimated based on the discounted after-tax cash flows of reserves using forward prices, costs to develop and operating costs, consistent with IPC's IQREs. Value in use is estimated by discounting future cash flows expected to arise from the continuing use of a CGU or asset, to their present value, using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When the recoverable amount is less than the carrying value an impairment loss is recognized with the expensed charge to the statement of operations. If indications exist that previously recognized impairment losses no longer exist or are decreased, the recoverable amount is reversed. When a previously recognized impairment loss is reversed the carrying amount of the asset is increased to the estimated recoverable amount but the increased carrying amount may not exceed the carrying amount after depreciation that would have been determined had no impairment loss been recognized for the asset in prior years. If the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the asset is tested as part of a CGU, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Other tangible fixed assets

Other tangible fixed assets are stated at cost less accumulated depreciation. The cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is based on cost and is calculated on a straight line basis over the estimated economic life of 3 to 5 years for office equipment and other assets. The Floating Production Storage and Offloading ("FPSO") located on the Bertam field, Malaysia, has been depreciated to its residual value.

Additional costs to existing assets are included in the assets' net book value or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The net book value of any replaced parts is written off. Other additional expenses are deemed to be repair and maintenance costs and are charged to the statement of operations when they are incurred.

The net book value is written down immediately to its recoverable amount when the net book value is higher. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

M. Leases

The Group leases various offices, warehouses, equipment and cars. Rental contracts are typically made for fixed periods of 3 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Right-of-use assets and corresponding liabilities are recognized when the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

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Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed and variable lease payments and the exercise price of the purchase option. The lease payments are discounted using the incremental borrowing rate and are classified as finance leases. The right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made and any initial direct costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss.

N. Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated balance sheet on the trade date, the date on which the Group becomes a party to the contractual provisions of the financial instrument. All financial instruments are required to be classified and measured at fair value on initial recognition. Measurement in subsequent periods is dependent upon the classification of the financial instrument. The Group classifies its financial instruments in the following categories:

Financial Assets at Amortized Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. The Group's loans and receivables consist of fixed or determined cash flows related solely to principal and interest amounts or contractual sales of oil. The Group's intent is to hold these receivables until cash flows are collected. Loans and receivables are recognized initially at fair value, net of any transaction costs incurred and subsequently measured at amortized cost.

Financial Assets at Fair Value through Profit or Loss ("FVTPL")

Financial assets measured at FVTPL are assets which do not qualify as financial assets at amortized cost or at fair value through other comprehensive income.

Financial Liabilities at Amortized Cost

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL, or the Group has opted to measure them at FVTPL. Borrowings and accounts payable are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

Financial Liabilities at FVTPL

Financial liabilities measured at FVTPL are liabilities which include embedded derivatives and cannot be classified as amortized cost.

Impairment of Financial Assets

The measurement of impairment of financial assets is based on the expected credit losses model. For the trade and other receivables, the Group applies the simplified approach which requires the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss provision, the Group considered historical industry default rates as well as credit ratings of major customers. Additional disclosure related to the Group's financial assets is included in Note 22.

O. Derivative Financial Instruments and Hedging Activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either hedges of a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction, hedges of the fair value of recognized assets and liabilities or a firm commitment, or hedges of a net investment in a foreign operation.

The Group documents at the inception of the transaction the relationship between hedging instruments and the hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items. The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 22. Movements on the hedging reserve is reflected in other comprehensive income. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than twelve months and as a current asset or liability when the remaining maturity of the hedged item is less than twelve months.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion, if any, is recognized immediately within statement of operations. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of operations. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognized in the statement of operations.

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P. Inventories

Inventories of consumable well supplies are stated at the lower of cost and net realizable value, cost being determined on a weighted average cost basis. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventories of hydrocarbons are stated at the lower of cost and net realizable value. Under or overlifted positions of hydrocarbons are valued at market prices prevailing at the balance sheet date. An underlift of production from a field is included in the current receivables and valued at the reporting date spot price or prevailing contract price and an overlift of production from a field is included in the current liabilities and valued at the reporting date spot price or prevailing contract price. A change in the over or underlift position is reflected in the statement of operations as revenue.

Q. Cash and cash equivalents

Cash and cash equivalents include cash at bank and cash in hand.

R. Provisions

A provision is reported when the Group has a legal or constructive obligation as a consequence of a past event and when it is more likely than not that an outflow of resources is required to settle the obligation and a reliable estimate can be made of the amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as financial expense.

On fields where there is an obligation to contribute to asset retirement obligation costs, a provision is recorded to recognize the future commitment. An asset is created, as part of the oil and gas property, to represent the discounted value of the anticipated asset retirement obligation liability and depleted over the life of the field on a unit of production basis. The corresponding accounting entry to the creation of the asset recognizes the discounted value of the future liability. The discount applied to the anticipated asset retirement obligation liability is subsequently released over the life of the field and is charged to financial expenses. Changes in asset retirement obligation costs and reserves are treated prospectively and consistent with the treatment applied upon initial recognition.

S. Revenue and Other Operating Revenue

Revenue associated with the sale of crude oil and natural gas is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of the product or service to a customer, which is generally when title passes from the Group to its customer. The Group satisfies its performance obligations in contracts with customers upon the delivery of crude oil and natural gas, which is generally at a point in time.

Royalties payments to governments and other mineral interest owners are recognized as a cost in the revenue section.

Production and sales taxes directly attributable to fields, including export duties, are expensed in the statement of operations and classified as direct production taxes included within production costs. Production taxes payable in cash are accrued in the accounting period in which the liability arises.

T. Employee Benefits

Short-term employee benefits

Short-term employee benefits such as salaries, social premiums and holiday pay, are expensed when incurred.

Pension obligations

The pension obligations consist of defined contribution plans for all companies within the Group except for one Swiss subsidiary, International Petroleum SA. A defined contribution plan is a pension plan under which the Group pays fixed contributions. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as an expense when they are due.

International Petroleum SA has a defined benefit pension plan that is managed through a private pension plan. Independent actuaries determine the cost of the defined benefit plan on an annual basis, and the subsidiary pays the annual insurance premium. The pension plan provides benefits coverage to the employees of International Petroleum SA in the event of retirement, death or disability. International Petroleum SA and its employees jointly finance retirement and risk benefits. Employees of International Petroleum SA pay 40% of the savings contributions, of the risk contributions and of the cost contributions and International Petroleum SA contributes the difference between the total of all required pension plan contributions and the total of all employees' contributions.

Share-based payments

The Group operates an equity-settled, share-based compensation plan under which the entity receives services from employees, directors and officers as consideration for equity instruments of the Corporation. Equity-settled share-based payments are recognized in the statement of operations as expenses during the vesting period and as equity in the balance sheet. The option is measured at fair value at the date of the grant using an appropriate options pricing model and is charged to the statement of operations over the vesting period without revaluation of the value of the option.

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U. Taxation

The components of tax are current and deferred. Tax is recognized in the statement of operations, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is accounted for consistently with the related item.

Current tax is tax that is to be paid or received for the year in question and also includes adjustments of current tax attributable to previous periods.

Deferred income tax is a non-cash charge provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values. Temporary differences can occur for example where investment expenditure is capitalized for accounting purposes but the tax deduction is accelerated or where asset retirement obligation costs are provided for in the financial statements but not deductible for tax purposes until they are actually incurred. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Corporation and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets are offset against deferred tax liabilities in the balance sheet where they relate to the same jurisdiction and there is a legally enforceable right to offset.

V. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, which, due to the unique nature of each country's operations, commercial terms or fiscal environment, is at a country level.

W. Business Combinations

Acquisitions of businesses are accounted for using the purchase method of accounting whereby all identifiable assets and liabilities are recorded at their fair values as at the date of acquisition. Any excess purchase price over the aggregate fair value of net assets is recorded as goodwill. Goodwill is identified and allocated to CGU, or groups of CGUs, that are expected to benefit from the synergies of the acquisition. Goodwill is not amortized. Any excess of the aggregate fair value of net assets over the purchase price is recognized in the consolidated statement of operations.

A CGU to which goodwill has been allocated is tested for impairment at least annually or when events or circumstances indicate that an assessment for impairment is required. For goodwill arising on an acquisition in a financial year, the CGU to which the goodwill has been allocated is tested for impairment before the end of that financial year.

When the recoverable amount of the CGU is less than the carrying amount of that CGU, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to that CGU first, and then to the other assets of that CGU pro rata on the basis of the carrying amount of each asset in the CGU. Any impairment loss for goodwill is recognized directly in the consolidated statement of earnings. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In connection with the preparation of the consolidated financial statements, the Group's 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. The assumptions, estimates and judgments are based on historical experience, current trends and other factors that management believes to be relevant at the time the consolidated financial statements are prepared. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that the consolidated financial statements are presented fairly in accordance with IFRS Accounting Standards. 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.

Management believes the following critical accounting policies affect the more significant judgments and estimates used in the preparation of the consolidated financial statements:

Oil and gas reserves, impairment and asset retirement obligations

The accounting for oil and gas assets requires significant estimates and judgements, particularly in relation to reserves, impairment and asset retirement obligations. Estimates of proved and probable oil and gas reserves, prepared using standard recognized evaluation techniques and reviewed by independent qualified reserves auditors, are fundamental to impairment testing, depletion calculations under the unit of production method, and the timing and measurement of asset retirement obligations. These estimates are based on management's assumptions regarding expected production volumes, future oil and gas prices, development and production costs, and economic factors as such oil price and inflation.

Impairment tests are performed when there are indicators of impairment. Key assumptions in the impairment models include oil and gas reserve estimates, forward price curves, long-term cost assumptions and the discount rate, all of which are subject to change as new information becomes available or economic conditions evolve.

Provisions for asset retirement obligations are based on estimates of future decommissioning and restoration costs, reflecting current legal and constructive requirements, available technology and prevailing price levels. Actual cash outflows may differ from estimates due to changes in legislation, technical requirements or cost levels, and therefore these provisions are reviewed on a regular basis.

Deferred income tax assets

The Group accounts for differences that arise between the carrying amount of assets and liabilities and their tax bases in accordance with IAS 12, Income Taxes, which requires deferred income tax assets only to be recognized to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilized. Management estimates future taxable profits based on the financial models used to value its oil and gas properties. Any change to the estimates and assumptions used for the key operational and financial variables used within the business models could affect the amount of deferred income tax assets recognized.

The effects of changes in estimates do not give rise to prior year adjustments and are treated prospectively over the estimated remaining commercial reserves of each field. While the Group uses its best estimates and judgement, actual results could differ from these estimates.

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3. SEGMENT INFORMATION

The Group operates within several geographical areas. Operating segments are reported at a country level which is consistent with the internal reporting provided to the CEO, who is the chief operating decision maker.

The following tables present segment information regarding: revenue, production costs, other operating costs and gross profit/(loss). The Group derives its revenue from contracts with customers primarily through the transfer of oil and gas at a point in time. In addition, certain identifiable asset segment information is reported in Note 8 and 9.

USD Thousands	2025				Total
	Canada	Malaysia	France	Other	
Crude oil	589,415	66,330	46,301	–	702,046
NGLs	690	–	–	–	690
Gas	39,190	–	–	–	39,190
Sales of oil and gas	629,295	66,330	46,301	–	741,926
Change in under/over lift position	–	–	5,349	–	5,349
Royalties	(83,229)	–	(2,976)	–	(86,205)
Hedging settlement	23,679	–	–	–	23,679
Other operating revenue	–	–	776	363	1,139
Revenue	569,745	66,330	49,450	363	685,888
Operating costs	(217,059)	(41,348)	(33,962)	–	(292,369)
Cost of blending	(134,630)	–	–	–	(134,630)
Change in inventory position	(428)	247	(443)	–	(624)
Depletion and decommissioning costs	(87,449)	(24,194)	(11,106)	–	(122,749)
Depreciation of other tangible fixed assets	–	(5,597)	–	–	(5,597)
Exploration and business development costs	–	(698)	(15)	(1,086)	(1,799)
Gross profit /(loss)	130,179	(5,260)	3,924	(723)	128,120

USD Thousands	2024				Total
	Canada	Malaysia	France	Other	
Crude oil	678,094	105,445	70,948	–	854,487
NGLs	927	–	–	–	927
Gas	34,040	–	–	–	34,040
Sales of oil and gas	713,061	105,445	70,948	–	889,454
Change in under/over lift position	–	–	41	–	41
Royalties	(111,114)	–	(4,285)	–	(115,399)
Hedging settlement	22,370	–	–	–	22,370
Other operating revenue	–	–	914	403	1,317
Revenue	624,317	105,445	67,618	403	797,783
Operating costs	(225,775)	(32,771)	(35,464)	–	(294,010)
Cost of blending	(152,735)	–	–	–	(152,735)
Change in inventory position	(594)	(1,024)	145	–	(1,473)
Depletion and decommissioning costs	(88,583)	(27,481)	(12,328)	–	(128,392)
Depreciation of other tangible fixed assets	–	(8,933)	–	–	(8,933)
Exploration and business development costs	–	(1,407)	(12)	(650)	(2,069)
Gross profit/(loss)	156,630	33,829	19,959	(247)	210,171

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USD Thousands	Assets		Liabilities	
	2025	2024	2025	2024
Canada	2,129,806	2,010,107	1,329,423	1,226,081
Malaysia	156,911	165,701	125,376	104,290
France	169,609	158,518	91,082	83,581
Other	191,081	205,293	174,349	186,197
Intercompany balance elimination	(669,778)	(585,937)	(669,778)	(585,937)
Total Assets / Liabilities	1,977,629	1,953,682	1,050,452	1,014,212
Shareholders' equity	–	–	927,029	939,315
Non-controlling interest	–	–	148	155
Total equity for the Group	–	–	927,177	939,470
Total consolidated	1,977,629	1,953,682	1,977,629	1,953,682

4. PRODUCTION COSTS

USD Thousands	2025	2024
Cost of operations	249,230	251,070
Tariff and transportation expenses	38,752	38,195
Direct production taxes	4,387	4,745
Operating costs	292,369	294,010
Cost of blending ¹	134,630	152,735
Change in inventory position	624	1,473
Total production costs	427,623	448,218

¹ In Canada, oil production is blended with purchased condensate diluent to meet pipeline specifications. Cost of blending represents the contracted purchase of diluent used for blending.

5. FINANCE INCOME

USD Thousands	2025	2024
Foreign exchange gain, net	14,654	–
Interest income	3,160	17,721
Other	274	–
Total finance income	18,088	17,721

6. FINANCE COSTS

USD Thousands	2025	2024
Foreign exchange loss, net	–	12,654
Interest expense	41,983	35,905
Unwinding of asset retirement obligation discount	16,498	14,568
Amortization of capitalized financing fees	4,370	2,057
Loan commitment fees	894	837
Currency hedge losses	9,029	10,773
Other financial costs ¹	11,079	636
Total finance costs	83,853	77,430

¹ Includes an amount of USD 9.8 million related to the call option costs of the previous USD 450 million senior unsecured bonds.

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7. INCOME TAX

USD Thousands	2025	2024
Current tax	(9)	(8,313)
Deferred tax	(17,371)	(25,012)
Total tax expense	(17,380)	(33,325)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of Canada as follows:

USD Thousands	2025	2024
Profit before tax	46,322	135,544
Tax calculated at the corporate tax rate in Canada 25%	(11,581)	(33,886)
Effect of foreign and domestic tax rates	2,240	6,473
Tax effect of recognition / (derecognition) of unrecorded tax losses	(8,253)	(6,216)
Tax effect due to true-up of provision to prior year tax filings	368	790
Other	(154)	(486)
Total tax	(17,380)	(33,325)

Specification of deferred tax assets and tax liabilities¹

USD Thousands	2025	2024
Unused tax loss carry forward	65,825	40,042
Derivative hedges	–	3,933
Other	6,858	10,302
Deferred tax assets	72,683	54,277
Accelerated allowances	192,464	145,358
Derivative hedges	597	–
Deferred tax liabilities	193,061	145,358
Deferred taxes, net	(120,378)	(91,081)

¹ The specification of deferred tax assets and tax liabilities does not agree to the face of the balance sheet due to the netting off of balances in the balance sheet when they relate to the same jurisdiction.

The deferred tax liabilities consist of accelerated allowances, being the difference between the book and the tax value of oil and gas properties and site restoration provisions. The deferred tax liabilities will be released over the life of the oil and gas assets as the book value is depleted for accounting purposes.

Deferred tax assets in relation to tax loss carried forwards are only recognized in so far that there is a reasonable certainty as to the timing and the extent of their realization. The recognized unused tax loss carry forward mainly relates to Canada. The Group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

Unrecognized tax losses

The Corporation has Canadian tax loss carry forwards of approximately USD 116 million (USD 92 million in 2024) and Dutch tax loss carry forwards of approximately USD 240 million (USD 240 million in 2024). The Canadian tax losses can be carried forward and utilized for up to 20 years and the Dutch tax losses can be carried forward indefinitely. A deferred tax asset of USD 90 million (USD 84 million in 2024) relating to the tax loss carry forwards has not been recognized as at 31 December 2025 due to the uncertainty as to the timing and the extent of the tax loss carry forward utilisation. This treatment is consistent with the comparative year's accounts.

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8. EXPLORATION AND EVALUATION ASSETS

USD Thousands	Canada	Malaysia	France	Total
Cost				
January 1, 2025	480	–	–	480
Acquisitions	7,311	–	–	7,311
Additions	5,036	–	15	5,051
Write-off	–	–	(15)	(15)
Reclassification	(1,305)	–	–	(1,305)
Currency translation adjustments	101	–	–	101
Net book value December 31, 2025	11,623	–	–	11,623

USD Thousands	Canada	Malaysia	France	Total
Cost				
January 1, 2024	–	–	–	–
Additions	500	1,407	12	1,919
Write-off	–	(1,407)	(12)	(1,419)
Currency translation adjustments	(20)	–	–	(20)
Net book value December 31, 2024	480	–	–	480

9. PROPERTY, PLANT AND EQUIPMENT

USD Thousands	2025	2024
Oil and gas properties	1,772,278	1,484,487
Other tangible fixed assets	11,220	16,425
Property, Plant and Equipment	1,783,498	1,500,912

Oil and gas properties

USD Thousands	Canada	Malaysia	France	Total
Cost				
January 1, 2025	1,767,580	599,734	405,129	2,772,443
Additions	286,570	40,877	5,759	333,206
Change in estimates	(9,845)	(30)	1,959	(7,916)
Reclassification	1,305	–	–	1,305
Currency translation adjustments	96,000	–	52,775	148,775
December 31, 2025	2,141,610	640,581	465,622	3,247,813
Accumulated depletion				
January 1, 2025	(451,017)	(530,315)	(306,624)	(1,287,956)
Depletion charge for the year	(87,449)	(24,194)	(11,106)	(122,749)
Currency translation adjustments	(24,749)	–	(40,081)	(64,830)
December 31, 2025	(563,215)	(554,509)	(357,811)	(1,475,535)
Net book value December 31, 2025	1,578,395	86,072	107,811	1,772,278

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USD Thousands	Canada	Malaysia	France	Total
Cost				
January 1, 2024	1,465,010	591,123	436,693	2,492,826
Additions	412,284	17,035	3,475	432,794
Disposals	(94)	–	–	(94)
Change in estimates	36,995	(8,424)	(9,018)	19,553
Reclassification	(10,773)	–	–	(10,773)
Currency translation adjustments	(135,842)	–	(26,021)	(161,863)
December 31, 2024	1,767,580	599,734	405,129	2,772,443
Accumulated depletion				
January 1, 2024	(398,288)	(502,834)	(313,282)	(1,214,404)
Depletion charge for the year	(88,583)	(27,481)	(12,328)	(128,392)
Disposals	94	–	–	94
Currency translation adjustments	35,760	–	18,986	54,746
December 31, 2024	(451,017)	(530,315)	(306,624)	(1,287,956)
Net book value December 31, 2024	1,316,563	69,419	98,505	1,484,487

Impairment test

As of December 31, 2025, the Group determined that no internal or external indicators of impairment existed on its oil and gas properties; therefore, the performance of an impairment test was determined not to be necessary (Similar as of December 31, 2024).

Other tangible fixed assets

USD Thousands	FPSO	Other ¹	Total
Cost			
January 1, 2025	204,853	9,824	214,677
Additions	–	640	640
Disposals	–	(29)	(29)
Currency translation adjustments	–	812	812
December 31, 2025	204,853	11,247	216,100
Accumulated depreciation			
January 1, 2025	(190,056)	(8,196)	(198,252)
Depreciation charge for the year	(5,597)	(397)	(5,994)
Disposals	–	29	29
Currency translation adjustments	–	(663)	(663)
December 31, 2025	(195,653)	(9,227)	(204,880)
Net book value December 31, 2025	9,200	2,020	11,220

¹ Depreciation of Other is included in General and administrative expenses in the statement of operations.

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USD Thousands	FPSO	Other ¹	Total
Cost			
January 1, 2024	204,853	10,048	214,901
Additions	–	363	363
Currency translation adjustments	–	(587)	(587)
December 31, 2024	204,853	9,824	214,677
Accumulated depreciation			
January 1, 2024	(181,123)	(8,340)	(189,463)
Depreciation charge for the year	(8,933)	(334)	(9,267)
Currency translation adjustments	–	478	478
December 31, 2024	(190,056)	(8,196)	(198,252)
Net book value December 31, 2024	14,797	1,628	16,425

¹ Depreciation of Other is included in General and administrative expenses in the statement of operations.

The Floating Production Storage and Offloading facility ("FPSO") located on the Bertam field, Malaysia, has been depreciated to its residual value. The depreciation charge is included in the depreciation of other assets line in the statement of operations.

For office equipment and other assets, the depreciation charge for the year is based on cost and an estimated useful life of 3 to 5 years. The depreciation charge is included within the general and administrative expenses in the Statement of Operations.

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

USD Thousands	Total
January 1, 2025	3,103
Additions	1,692
Depreciation	(1,012)
Disposal	(776)
Currency translation adjustments	63
Right-of-use-assets as at December 31, 2025	3,070
Current	930
Non-Current	2,956
Lease Liabilities as at December 31, 2025	3,886

USD Thousands	Total
January 1, 2024	2,814
Additions	1,292
Depreciation	(907)
Currency translation adjustments	(96)
Right-of-use-assets as at December 31, 2024	3,103
Current	573
Non-Current	2,728
Lease Liabilities as at December 31, 2024	3,301

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11. OTHER NON-CURRENT ASSETS

USD Thousands	December 31, 2025	December 31, 2024
Financial assets	34,545	34,788
Intangible assets	11,671	13,877
	46,216	48,665

Financial assets mainly represent cash payments made in local currency to an asset retirement obligation fund for the Bertam field, Malaysia for an amount equivalent of USD 34.5 million (2024: USD 30.6 million).

Intangible assets mainly represent carbon offsets purchased in Canada.

12. INVENTORIES

USD Thousands	December 31, 2025	December 31, 2024
Hydrocarbon stocks	11,995	11,250
Well supplies and operational spares	7,995	8,823
	19,990	20,073

13. TRADE AND OTHER RECEIVABLES

USD Thousands	December 31, 2025	December 31, 2024
Trade receivables	73,245	94,265
Underlift	6,704	1,007
Joint operations debtors ¹	6,449	1,432
Prepaid expenses and accrued income	8,437	12,346
Other	2,385	18,400
	97,220	127,450

¹ Joint operations debtors include cash collateralized guarantees placed in respect of work commitments in Malaysia amounting to USD 4.0 million.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include only cash at hand or held in bank accounts.

15. SHARE CAPITAL

The Corporation's issued common share capital is as follows:

	Number of shares
Balance at January 1, 2024	126,992,066
Cancellation of repurchased common shares	(7,822,595)
Balance at December 31, 2024	119,169,471
Cancellation of repurchased common shares	(7,013,944)
Balance at December 31, 2025	112,155,527

The common shares of IPC are listed to trade on both the Toronto Stock Exchange and the Nasdaq Stockholm Exchange. The Corporation is authorized to issue an unlimited number of Common Shares without par value.

As at January 1, 2024, IPC had a total of 126,992,066 common shares issued and outstanding, with no common shares held in treasury.

During 2024, under the normal course issuer bid (NCIB) announced in December 2023 and renewed in December 2024, IPC purchased and cancelled an aggregate of 7,822,595 common shares.

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As at January 1, 2025, IPC had a total of 119,169,471 common shares issued and outstanding, of which IPC held 110,156 common shares in treasury.

Over the period of January 1, 2025 to December 4, 2025, IPC purchased and cancelled 6,641,970 common shares under the normal course issuer bid (NCIB) and 261,818 common shares under certain other exemptions in Canada.

As at December 31, 2025, IPC had a total of 112,155,527 common shares issued and outstanding, with no common shares held in treasury.

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.

16. EARNINGS PER SHARE

Basic earnings per share are based on net result attributable to the common shareholders and is calculated based upon the weighted-average number of common shares outstanding during the years presented.

	2025	2024
Net result attributable to shareholders of the Parent Company, USD	28,938,435	102,201,942
Weighted average number of shares for the year	114,915,700	124,072,452
Earnings per share, USD	0.25	0.82
Weighted average diluted number of shares for the year	116,916,203	126,299,688
Earnings per share fully diluted, USD	0.25	0.81

17. SHARE BASED PAYMENTS

IPC Share Unit Plan

The shareholders of IPC at the 2018 Annual General Meeting and at the 2021 Annual General Meeting approved a Share Unit Plan. Awards under the plan will be accounted from the date of grant.

The IPC Performance Share Plan ("PSP") 2022 awards vested on February 1, 2025 at a price of CAD 18.89 per award.

The IPC PSP 2023 awards are subject to continued employment and to certain performance conditions being met. The total outstanding number of awards at December 31, 2025, is 813,000 which vested on February 1, 2026 at a price of CAD 27.18. Each award was fair valued at the grant date at CAD 11.51 using an adjusted share price calculated with a hybrid valuation model based on the Monte Carlo simulation. The assumptions used in the calculation of the adjusted share price were a risk free rate of 2.17%, expected volatility of 46%, dividend yield rate of 0%, and an exercise price of CAD zero.

The IPC PSP 2024 awards are subject to continued employment and to certain performance conditions being met. The total outstanding number of awards at December 31, 2025, is 819,000 which vest on February 1, 2027. Each award was fair valued at the grant date at CAD 11.52 using an adjusted share price calculated with a hybrid valuation model based on the Monte Carlo simulation. The assumptions used in the calculation of the adjusted share price were a risk free rate of 2.27%, expected volatility of 39%, dividend yield rate of 0%, and an exercise price of CAD zero.

The IPC PSP 2025 awards are subject to continued employment and to certain performance conditions being met. The total outstanding number of awards at December 31, 2025, is 597,000 which vest on February 1, 2028. Each award was fair valued at the grant date at CAD 14.03 using an adjusted share price calculated with a hybrid valuation model based on the Monte Carlo simulation. The assumptions used in the calculation of the adjusted share price were a risk free rate of 2.19%, expected volatility of 34%, dividend yield rate of 0%, and an exercise price of CAD zero.

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IPC Performance Share Plan	2022 Awards	2023 Awards	2024 Awards	2025 Awards	Total
Outstanding at January 1, 2025	937,000	813,000	819,000	–	2,569,000
Awarded during the year	–	–	–	597,000	597,000
Forfeited during the year	–	–	–	–	–
Vested during the year	(937,000)	–	–	–	(937,000)
Outstanding at December 31, 2025	–	813,000	819,000	597,000	2,229,000
Vesting date					
February 1, 2026	–	813,000	–	–	813,000
February 1, 2027	–	–	819,000	–	819,000
February 1, 2028	–	–	–	597,000	597,000
Outstanding at December 31, 2025	–	813,000	819,000	597,000	2,229,000

The third instalment of the IPC Restricted Share Plan ("RSP") 2022 awards vested on February 1, 2025, at a price of CAD 18.89 per award.

The second instalment of the IPC RSP 2023 awards vested on February 1, 2025, at a price of CAD 18.89 per award. The total outstanding number of 2023 awards under the IPC RSP as at December 31, 2025, is 104,098 which vested on February 1, 2026, at a price of CAD 27.18. Each award was fair valued at the grant date at CAD 14.27.

The first instalment of the IPC RSP 2024 awards vested on February 1, 2025, at a price of CAD 18.89 per award. The second instalment of the IPC RSP 2024 vested on February 1, 2026, at a price of CAD 27.18. The third instalment vests on February 1, 2027, subject to continued employment. Each award was fair valued at the grant date at CAD 14.82.

The first instalment of the IPC RSP 2025 awards vested on February 1, 2026, at a price of CAD 27.18 per award. The second and third instalment vest respectively on February 1, 2027, and February 1, 2028, subject to continued employment. Each award was fair valued at the grant date at CAD 18.90.

IPC Restricted Share Plan	2022 Awards	2023 Awards	2024 Awards	2025 Awards	Total
Outstanding at January 1, 2025	151,035	217,080	364,035	–	732,150
Awarded during the year	–	–	–	337,154	337,154
Forfeited during the year	(2,381)	(4,423)	(10,849)	–	(17,653)
Vested during the year	(148,654)	(108,559)	(121,515)	–	(378,728)
Outstanding at December 31, 2025	–	104,098	231,671	337,154	672,923
Vesting date					
February 1, 2026	–	104,098	115,836	112,385	332,319
February 1, 2027	–	–	115,835	112,385	228,220
February 1, 2028	–	–	–	112,384	112,384
Outstanding at December 31, 2025	–	104,098	231,671	337,154	672,923

Under the IPC Share Unit Plan, the Group allows non-employee directors of the Corporation to elect for awards for fees for services performed as a director and otherwise payable in cash. These awards will vest immediately at the time of grant. However, these awards may not be redeemed before the end of service as a director of the Corporation. The 2021 outstanding RSP awards as at December 31, 2025 is 4,333 awards issued with a fair value at the grant date at CAD 6.95. The 2022 outstanding RSP awards as at December 31, 2025 is 2,391 awards issued with a fair value at the grant date at CAD 12.80, and 2,072 awards issued with a fair value at the grant date at CAD 15.53. The 2023 outstanding RSP awards as at December 31, 2025 is 3,244 awards issued with a fair value at the grant date at CAD 10.52, and 2,443 awards issued with a fair value at the grant date at CAD 16.24. The 2024 outstanding RSP awards as at December 31, 2025 is 4,328 awards issued with a fair value at the grant date at CAD 18.20, and 5,607 awards issued with a fair value at the grant date at CAD 15.72. The 2025 outstanding RSP awards as at December 31, 2025 is 3,795 awards issued with a fair value at the grant date at CAD 22.02, and 3,404 awards issued with a fair value at the grant date at CAD 24.66. The total outstanding RSP awards outstanding as at December 31, 2025, is 31,617.

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The costs charged to the statement of operations of the Group for the Share-Based payments are summarized in the following table:

USD Thousands	2025	2024
IPC PSP – 2021 Awards	–	108
IPC RSP – 2021 Awards	–	52
IPC PSP – 2022 Awards	125	1,477
IPC RSP – 2022 Awards	14	464
IPC PSP – 2023 Awards	1,723	1,728
IPC RSP – 2023 Awards	387	1,048
IPC PSP – 2024 Awards	1,832	1,414
IPC RSP – 2024 Awards	1,134	2,248
IPC PSP – 2025 Awards	1,762	–
IPC RSP – 2025 Awards	2,461	–
	9,348	8,539

18. FINANCIAL LIABILITIES

USD Thousands	December 31, 2025	December 31, 2024
Current bank loans	1,943	3,402
Non current bank loans	38,709	1,719
Bonds	450,000	443,407
Capitalized financing fees	(7,676)	(3,545)
	482,976	444,983

As at January 1, 2025, IPC had USD 450 million of senior unsecured bonds outstanding, maturing in February 2027 with a fixed coupon rate of 7.25% per annum. In October 2025, IPC completed the issuance of USD 450 million of new senior unsecured bonds, maturing in October 2030 with a fixed coupon rate of 7.50% per annum, payable in semi-annual instalments in April and October, and with semi-annual amortizations of USD 25 million commencing in April 2028. The proceeds of the new bonds were used to fully redeem and cancel the previous bonds. IPC exercised its call option to redeem the previous bonds at a price equal to 102.18% of the nominal amount, plus accrued and unpaid interest. The cash refinancing costs, which include the call option costs of the senior unsecured bonds, and the related transaction costs, incurred in Q4 2025, amounted USD 18.3 million.

The bond repayment obligations as at December 31, 2025, are classified as non-current as there are no mandatory repayments within the next twelve months.

In addition, as at December 31, 2025, the Group had a senior secured revolving credit facility of CAD 250 million (the “Canadian RCF”) in connection with its oil and gas assets in Canada, with a maturity date in May 2027. As at December 31, 2025, CAD 53 million (approximately USD 39 million) was drawn under the Canadian RCF. As at December 31, 2025, the Group also had a letter of credit facility in Canada (the “LC Facility”) to cover operational letters of credit. As at December 31, 2025, operational letters of credit in an aggregate of CAD 19.7 million have been issued under the LC Facility, of which one letter of credit of CAD 5.3 million was fully released in January 2026.

As at December 31, 2025, IPC had an unsecured Euro credit facility in France (the “France Facility”), with maturity in May 2026. IPC makes quarterly repayments of the France Facility and the amount remaining outstanding under the France Facility as at December 31, 2025 was USD 1.9 million (EUR 1.7 million) which is classified as current representing the repayment planned within the next twelve months.

The Group is in compliance with the covenants of the bonds and its financing facilities as at December 31, 2025.

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The net (debt)/cash reconciliation can be summarized as follows:

USD Thousands	December 31, 2025	December 31, 2024
Cash and cash equivalents	7,037	246,593
Bonds	(450,000)	(443,407)
Borrowings	(40,652)	(5,121)
Lease liabilities	(3,886)	(3,301)
Net (debt)/cash	(487,501)	(205,236)

The net (debt)/cash and the movements in net (debt)/cash can be summarized as follows:

USD Thousands	Cash	Lease liabilities	Financial liabilities due before 1 year	Financial liabilities due after 1 year	Bonds due after 1 year	Total
Net (debt)/cash as at January 1, 2025	246,593	(3,301)	(3,402)	(1,719)	(443,407)	(205,236)
Cash flows	(226,702)	976	3,178	(38,709)	(6,593)	(267,850)
Reclassification Long term / Short term	–	–	(1,719)	1,719	–	–
Additional leases	–	(1,492)	–	–	–	(1,492)
Currency translation adjustments	(12,854)	(69)	–	–	–	(12,923)
Net (debt)/cash as at December 31, 2025	7,037	(3,886)	(1,943)	(38,709)	(450,000)	(487,501)
Net debt (excluding lease liabilities)						(483,615)

USD Thousands	Cash	Lease liabilities	Financial liabilities due before 1 year	Financial liabilities due after 1 year	Bonds due after 1 year	Total
Net (debt)/cash as at January 1, 2024	517,074	(2,896)	(3,589)	(5,442)	(440,288)	64,859
Cash flows	(275,871)	964	–	3,910	(3,119)	(274,116)
Reclassification Long term / Short term	–	–	187	(187)	–	–
Additional leases	–	(1,480)	–	–	–	(1,480)
Currency translation adjustments	5,390	111	–	–	–	5,501
Net (debt)/cash as at December 31, 2024	246,593	(3,301)	(3,402)	(1,719)	(443,407)	(205,236)
Net debt (excluding lease liabilities and including the redeemable bonds value at maturity (USD 450 million))						(208,528)

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19. PROVISIONS

USD Thousands	Asset retirement obligation	Farm-in obligation	Pension obligation	Other	Total
January 1, 2025	267,790	1,679	3,685	2,072	275,226
Additions	–	–	816	815	1,631
Unwinding of asset retirement obligation discount	16,498	–	–	–	16,498
Payments	(5,967)	(587)	(963)	(897)	(8,414)
Change in estimates	(7,916)	–	(654)	–	(8,570)
Reclassification ¹	725	–	–	–	725
Currency translation adjustments	13,402	138	488	107	14,135
December 31, 2025	284,532	1,230	3,372	2,097	291,231
Non-current	278,733	–	3,372	2,097	284,202
Current	5,799	1,230	–	–	7,029
Total	284,532	1,230	3,372	2,097	291,231

¹ The reclassification of the asset retirement obligation related to the 2025 payment to the asset retirement obligation fund in respect of the Bertam asset, Malaysia (see Note 11).

USD Thousands	Asset retirement obligation	Farm-in obligation	Pension obligation	Other	Total
January 1, 2024	253,949	2,176	551	2,078	258,754
Additions	–	–	682	544	1,226
Disposals	(197)	–	–	–	(197)
Unwinding of asset retirement obligation discount	14,568	–	–	–	14,568
Payments	(7,711)	(591)	(906)	(500)	(9,708)
Change in estimates	19,553	–	3,491	–	23,044
Reclassification ¹	1,013	–	–	–	1,013
Currency translation adjustments	(13,385)	94	(133)	(50)	(13,474)
December 31, 2024	267,790	1,679	3,685	2,072	275,226
Non-current	261,632	1,120	3,685	2,072	268,509
Current	6,158	559	–	–	6,717
Total	267,790	1,679	3,685	2,072	275,226

¹ The reclassification of the asset retirement obligation related to the 2024 payment to the asset retirement obligation fund in respect of the Bertam asset, Malaysia (see Note 11).

The farm-in obligation relates to future payments for historic costs on the Bertam field in Malaysia payable for every 1 MMboe gross that the field produces above 10 MMboe gross and is capped at cumulative production of 27.5 MMboe gross.

In calculating the present value of the asset retirement obligation provision, a blended discount rate of 6% (2024: 6%) per annum was used, based on a credit risk adjusted rate. The calculation also assumes that the costs are inflated by 2% a year (2024: 2%) The payment of these obligations is spread over a period of 60 years.

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20. PENSION LIABILITY

The Group operates a pension plan for employees in Switzerland that is managed through a private pension plan. The amount recognized in the balance sheet associated with the Swiss pension plan is as follows:

USD Thousands	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	23,135	19,569
Fair value of plan assets	(19,763)	(15,884)
Pension obligation, ending balance	3,372	3,685

The movement in the defined benefit obligation over the year is as follows:

USD Thousands	For the year ended December 31, 2025	For the year ended December 31, 2024
Opening balance	19,569	22,241
Current service cost	758	608
Ordinary contributions paid by employees	642	604
Additional contributions paid by employees	1,425	1,340
Interest expense on defined benefit obligation	213	402
Actuarial (gain)/loss on defined benefit obligation	(402)	3,390
Administration costs	19	18
Benefits paid from plan assets	(1,920)	(7,440)
Past service cost	–	46
Foreign exchange (gain)/loss	2,831	(1,640)
Defined benefit obligation, ending balance	23,135	19,569

The weighted average duration of the defined benefit obligation is 15.56 years. There is no maturity profile since the average remaining life before active employees reach final age according to the plan is 9.04 years.

The movement in the fair value of the plan assets over the year is as follows:

USD Thousands	For the year ended December 31, 2025	For the year ended December 31, 2024
Opening balance	15,884	21,690
Ordinary contributions paid by employer	962	906
Ordinary contributions paid by employees	642	604
Additional contributions paid by employees	1,425	1,340
Interest income on plan assets	173	392
Return on plan assets excluding interest income	252	(101)
Foreign exchange gain/(loss)	2,345	(1,507)
Benefits paid from plan assets	(1,920)	(7,440)
Fair value of plan assets, ending balance	19,763	15,884

The plan assets are under an insurance contract comprised entirely of free funds and reserves, such as fluctuation reserves and employer contribution reserves, for which there is no quoted price in an active market.

The amount recognized in the statement of operations associated with the Group's pension plan is as follows:

USD Thousands	For the year ended December 31, 2025	For the year ended December 31, 2024
Current service cost	758	608
Interest expense on defined benefit obligation	213	402
Administration costs	19	18
Past service cost	–	46
Interest income on plan assets	(173)	(392)
Total expense recognized	817	682

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The expense associated with the Group's pension plan of USD 817 thousand was included within general and administrative expenses. The Group also recognized in other comprehensive income a USD 654 thousand net actuarial gain on defined benefit obligations and pension plan assets.

The principal actuarial assumptions used to estimate the Group's pension obligation are as follows:

USD Thousands	For the year ended December 31, 2025	For the year ended December 31, 2024
Discount rate	1.30%	1.00%
Inflation rate	0.90%	1.00%
Future salary increase	1.25%	1.25%
Future pension increases	0.00%	0.00%
Retirement ages, male ('M') and female ('F')	M65/F65	M65/F65

Assumptions regarding future mortality are set based on actuarial advice in accordance with the BVG 2020 GT generational published statistics and experience in Switzerland. The discount rate is determined by reference to the yield on high quality corporate bonds. The rate of inflation is based on the expected value of future annual inflation adjustments in Switzerland. The rate for future salary increases is based on the average increase in the salaries paid by the Group, and the rate of pension increases is based on the annual increase in risk, retirement and survivors' benefits.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease by 7.1%	Increase by 8.1%
Salary growth rate	0.50%	Increase by 0.4%	Decrease by 0.4%
Life Expectancy	One year	Increase by 1.3%	Decrease by 1.3%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the pension liability recognized within the consolidated balance sheet.

21. TRADE AND OTHER PAYABLES

USD Thousands	December 31, 2025	December 31, 2024
Trade payables	39,377	42,634
Joint operations creditors	9,141	11,671
Accrued expenses	94,410	119,316
Other	6,780	2,750
	149,708	176,371

22. FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

December 31, 2025 USD Thousands	Total	Financial assets at amortized cost	Fair value recognized in profit or loss (FVTPL)	Derivatives used for hedging
Other assets ¹	34,545	34,545	–	–
Derivative instruments	2,929	–	–	2,929
Joint operation debtors	6,449	6,449	–	–
Other current receivables ²	86,745	80,041	6,704	–
Cash and cash equivalents	7,037	7,037	–	–
Financial assets	137,705	128,072	6,704	2,929

¹ See Note 11

² Prepayments are not included in other current assets as prepayments are not deemed to be financial instruments.

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December 31, 2025 USD Thousands	Total	Financial liabilities at amortized cost	Fair value recognized in profit or loss (FVTPL)	Derivatives used for hedging
Non-current financial liabilities	481,033	481,033	–	–
Current financial liabilities	1,943	1,943	–	–
Derivative instruments	422	–	–	422
Joint operation creditors	9,141	9,141	–	–
Other current liabilities	140,783	140,783	–	–
Financial liabilities	633,322	632,900	–	422

December 31, 2024 USD Thousands	Total	Financial assets at amortized cost	Fair value recognized in profit or loss (FVTPL)	Derivatives used for hedging
Other assets ¹	34,788	34,788	–	–
Derivative instruments	3,219	–	–	3,219
Joint operation debtors	1,432	1,432	–	–
Other current receivables ²	115,186	114,179	1,007	–
Cash and cash equivalents	246,593	246,593	–	–
Financial assets	401,218	396,992	1,007	3,219

¹ See Note 11

² Prepayments are not included in other current assets as prepayments are not deemed to be financial instruments.

December 31, 2024 USD Thousands	Total	Financial liabilities at amortized cost	Fair value recognized in profit or loss (FVTPL)	Derivatives used for hedging
Non-current financial liabilities	441,581	441,581	–	–
Current financial liabilities	3,402	3,402	–	–
Derivative instruments	20,431	–	–	20,431
Joint operation creditors	11,671	11,671	–	–
Other current liabilities	165,846	165,846	–	–
Financial liabilities	642,931	622,500	–	20,431

The carrying amount of the Group's financial assets and liabilities approximate their fair values at the balance sheet dates.

For financial instruments measured at fair value in the balance sheet, the following fair value measurement hierarchy is used:

- Level 1: based on quoted prices in active markets;
- Level 2: based on inputs other than quoted prices as within level 1, that are either directly or indirectly observable;
- Level 3: based on inputs which are not based on observable market data.

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Based on this hierarchy, financial instruments measured at fair value can be detailed as follows:

December 31, 2025	Level 1	Level 2	Level 3
USD Thousands			
Other current receivables	6,704	–	–
Derivative instruments – current	–	1,644	–
Derivative instruments – non-current	–	–	1,285
Financial assets	6,704	1,644	1,285
Derivative instruments – current	–	–	–
Derivative instruments – non-current	–	–	422
Financial liabilities	–	–	422

December 31, 2024	Level 1	Level 2	Level 3
USD Thousands			
Other current receivables	1,007	–	–
Derivative instruments – current	–	3,219	–
Derivative instruments – non-current	–	–	–
Financial assets	1,007	3,219	–
Derivative instruments – current	–	19,869	–
Derivative instruments – non-current	–	–	562
Financial liabilities	–	19,869	562

23. MANAGEMENT OF FINANCIAL RISK

The Corporation's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, foreign exchange risk, commodity price risk and interest rate risk.

a) Credit risk

The exposure to credit risk arises through the failure of a customer or another third party to meet its contractual obligations to the Corporation. The Corporation believes that its maximum exposure to credit risk as at December 31, 2025, is the carrying value of its trade receivables. The Group's policy is to limit credit risk by limiting the counterparties to major oil and gas companies. Where it is determined that there is a credit risk for oil and gas sales, the policy is to require an irrevocable letter of credit for the full value of the sale. The policy on joint operation parties is to rely on the provisions of the underlying joint operating agreements to take possession of the licence or the partner's share of production for non-payment of cash calls or other amounts due.

As at December 31, 2025, the trade receivables amounted to USD 73,245 thousand and there is no recent history of default. The expected credit loss associated with these receivables is not significant. Cash and cash equivalents are maintained with banks having strong long-term credit ratings.

b) Liquidity risk

Liquidity risk is defined as the risk that the Group could not be able to settle or meet its obligations on time or at a reasonable price. Corporation treasury is responsible for liquidity, funding as well as settlement management. The Corporation has in place a planning and forecasting process to help determine the funds required to support the Corporation's normal operating requirements on an ongoing basis. The Corporation ensures that there is sufficient available capital to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents, including bond proceeds. The Corporation has credit facilities in place to assist with meeting its cash flow needs as required (Note 18).

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Loan repayments are made upon a net present value calculation of the assets' future cash flows. No loan repayments are currently forecast under this calculation.

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USD Thousands	December 31, 2025	December 31, 2024
Non-current		
Repayment within 1- 5 years:		
- Bank loans	38,709	1,719
- Bonds	450,000	443,407
- Lease liabilities	2,956	2,728
	491,665	447,854
Current		
Repayment within 12 months:		
- Bank loans	1,943	3,402
Payment within 6 months:		
- Trade payables	39,377	42,634
- Joint operation creditors	9,141	11,671
- Other current liabilities	6,780	2,750
- Lease liabilities	930	573
- Current tax liabilities	216	1,146
	58,387	62,176

c) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currencies, primarily with respect to EUR and CAD. The Group's risk management objective is to manage cash flow risk related to foreign denominated cash flows. The Corporation is exposed to currency risk related to changes in rates of exchange between foreign denominated balances and the functional currencies of the Group's principal operating subsidiaries. The Group's revenues are denominated in US dollars, while most of its operating and capital expenditures are denominated in the local currencies. A significant change in the currency exchange rates between the US dollar and foreign currencies could have a material effect on the Group's net earnings and on other comprehensive income.

The Group has no outstanding currency hedges as of December 31, 2025:

Fair value of outstanding derivative instruments in the balance sheet

	December 31, 2025		December 31, 2024	
USD Thousands	Assets	Liabilities	Assets	Liabilities
Currency hedge - CAD	–	–	–	19,030
Currency hedge - EUR	–	–	–	557
Currency hedge - MYR	–	–	–	282
Total	–	–	–	19,869
Non-current	–	–	–	–
Current	–	–	–	19,869
Total	–	–	–	19,869

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The following tables summarize the effects that changes in currencies against the US Dollar would have on gross profit through the conversion of the income statements of the Group's subsidiaries from functional currency to the presentation currency US Dollar for the years ended at December 31, 2025 and 2024.

Shift of currency exchange rates USD Thousands	Average rate 2025	USD weakening 10%	USD strengthening 10%
Gross profit in the financial statements		128,120	128,120
EUR/USD	0.8855	0.8050	0.9741
CAD/USD	1.3975	1.2705	1.5373
Total effect on gross profit		13,072	(13,072)

Shift of currency exchange rates USD Thousands	Average rate 2024	USD weakening 10%	USD strengthening 10%
Gross profit in the financial statements		210,171	210,171
EUR/USD	0.9241	0.8401	1.0170
CAD/USD	1.3698	1.2453	1.5068
Total effect on gross profit		17,054	(17,054)

d) Commodity price risk

The Group is subject to price risk associated with fluctuations in the market prices for oil and gas. Prices of oil and gas are affected by the normal economic drivers of supply and demand as well as the financial investors and market uncertainty. Factors that influence these include operational decisions, natural disasters, economic conditions, political instability or conflicts or actions by major oil exporting countries. Price fluctuations can affect the Corporation's financial position.

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in the price of oil and natural gas. Commodity prices are impacted by world economic events that affect supply and demand, which are generally beyond the Group's control. Changes in crude oil prices may significantly affect the Corporation's results of operations, cash generated from operating activities, capital spending and the Corporation's ability to meet its obligations. The majority of the Corporation's production is sold under short-term contracts; consequently the Group is at risk to near term price movements. The Corporation manages this risk by constantly monitoring commodity prices and factoring them into operational decisions, such as contracting or expanding its capital expenditures program.

The Corporation enters into certain risk management contracts in order to manage the exposure to market risks from fluctuations in commodity prices. These risk management contracts are not used for trading or speculative purposes. The Corporation has designated its risk management contracts as effective accounting hedges, and thus has applied hedge accounting. As a result, all risk management contracts are recorded at fair value at each reporting period with the change in fair value being recognized on the statement of comprehensive income.

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The Group had oil price sale financial hedges outstanding as at December 31, 2025, which are summarized as follows:

Period	Volume (barrels per day)	Type	Average Pricing
January 1, 2026 - December 31, 2026	5,000	WTI/WCS Differential	USD -12.50/bbl

The Group had gas price sale financial hedges outstanding as at December 31, 2025 which are summarized as follows:

Period	Volume (Gigajoules (GJ) per day))	Type	Average Pricing
April 1, 2026 - October 31, 2026	15,000	AECO Swap	CAD 2.73/GJ

The Group had electricity financial hedges outstanding as at December 31, 2025, which are summarized as follows:

Period	Volume (MW)	Type	Average Pricing
January 1, 2026 - September 30, 2040	3	AESO	CAD 75.00/MWh

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

The outstanding derivative instruments can be specified as follows:

Fair value of outstanding derivative instruments in the balance sheet:

USD Thousands	December 31, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Oil price hedge	710	–	1,949	–
Gas price hedge	934	–	1,270	–
Electricity price hedge	1,285	422	–	562
Total	2,929	422	3,219	562
Non-current	–	–	–	562
Current	2,929	422	3,219	–
Total	2,929	422	3,219	562

The table below summarizes the effect that a change in the oil and gas price would have had on the net result at December 31, 2025 and 2024:

2025 net result (USD Thousands)	28,942	28,942
Possible shift (%)	(10%)	10%
Total effect on net result (USD Thousands)	(54,369)	54,369
2024 net result (USD Thousands)	102,219	102,219
Possible shift (%)	(10%)	10%
Total effect on net result (USD Thousands)	(65,653)	65,653

e) Interest rate risk

The Group's exposure to interest rate risk arises from the impact of interest rate fluctuations on its debt facilities. As at December 31, 2025, the Group's long-term debt primarily consists of senior unsecured bonds bearing a fixed coupon rate of 7.5%, as well as a senior secured revolving credit facility subject to a variable interest rate, which ranged between 5.29% and 6.7% during the year 2025. As a result, changes in interest rates are not expected to have a significant adverse impact on the Group's interest expense.

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24. MANAGEMENT OF CAPITAL RISK

The objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to meet its committed work program requirements in order to create shareholder value. The Corporation may put in place new credit facilities, repay debt, or other such restructuring activities as appropriate. Management continuously monitors and manages the capital and liquidity position in order to assess the requirement for changes to the capital structure to meet the objectives and to maintain flexibility.

No significant changes were made in the objectives, policies or procedures during the year ended December 31, 2025 or in the comparative years.

Through the ongoing management of its capital, the Corporation will modify the structure of its capital based on changing economic conditions in the jurisdictions in which it operates. In doing so, the Corporation may issue new shares or debt, buy back issued shares, or pay off any outstanding debt.

25. SALARY AND OTHER COMPENSATION EXPENSES

a) Employee benefits expense

The total employee benefits expense for the year ended December 31, 2025, amounted to USD 84,078 thousand (2024: USD 68,897 thousand).

b) Remuneration of Directors and Senior Management

Remuneration of Directors and Senior Management includes all amounts earned and awarded to the Group's Board of Directors and Senior Management. Senior Management includes the Group's President and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, General Counsel and Corporate Secretary, Senior Vice President Corporate Planning and Investor Relations, Senior Vice President Canada, Vice President Asset Management and Corporate Planning Canada, and Vice President Commercial Canada.

Directors' fees include Board and Committee fees. Senior Management's remuneration includes salary, short-term benefits, bonuses and any other compensation earned is as follows:

USD Thousands	2025	2024
Directors' fees	900	900
Senior Management's salaries, bonuses and other short-term benefits	7,130	6,196
Share-based incentive plans paid to Senior Management	7,138	10,114
	15,168	17,210

26. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

In the normal course of business, the Group has committed to certain payments which are not recognized as liabilities. The following table summarizes the Group's commitments in Canada as at December 31, 2025:

CAD Millions	2026	2027	2028	2029	2030	Thereafter
Transportation service ¹	60.4	91.6	99.1	103.1	103.9	1,384.7
Power ²	12.4	12.4	9.8	—	—	—
Total commitments	72.8	104.0	108.9	103.1	103.9	1,384.7

¹ IPC has firm transportation commitments on oil and natural gas pipelines that expire between 2037 and 2046.

² IPC has physical delivery power hedges to purchase 15MWh at a weighted average price of CAD 74.92/MWh from January 1, 2026 - December 31, 2028 and an additional 5MWh at a weighted average price of CAD 58.31/MWh from January 1, 2026 to December 31, 2027.

27. RELATED PARTIES

The Group recognizes the following related parties: associated companies, jointly controlled entities, key management personnel and members of their close family or other parties that are partly, directly or indirectly controlled by key management personnel or of its family or of any individual that controls, or has joint control or significant influence over the entity.

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.

During 2025, the Group has not entered into material transactions with related parties.


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28. SUBSEQUENT EVENTS

In January 2026, the Group entered into the following oil price sale financial hedges:

Period	Volume (barrels per day)	Type	Average Pricing
February 1, 2026 - June 30, 2026	5,000	WTI Sale Swap	USD 60.04/bbl
February 1, 2026 - June 30, 2026	2,500	WTI Sale Swap	USD 64.50/bbl
February 1, 2026 - June 30, 2026	1,500	Brent Sale Swap	USD 66.67/bbl



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