

International Petroleum Corporation Third Quarter 2023 Financial and Operational Results; Share Repurchase Program Update; and Chief Executive Officer Succession

International Petroleum Corporation (IPC or the Corporation) (TSX, Nasdaq Stockholm: IPCO) today released its financial and operational results and related management's discussion and analysis (MD&A) for the three and nine months ended September 30, 2023.

Mike Nicholson, IPC's Chief Executive Officer, comments: "We are very pleased to announce another strong quarter for IPC. We produced an average of 50,200 barrels of oil equivalent per day (boepd) during the third quarter. Given the strong average daily production over the first nine months of 2023, we expect to exceed an average of 50,000 boepd for the full year 2023, above the high end of our guidance range. We continue to progress the exciting development of Phase 1 of the Blackrod project in Canada, with cost levels and schedule in line with expectation.

We also expect to complete our current normal course issuer bid (NCIB) program in Q4 2023 and intend to seek Toronto Stock Exchange (TSX) approval to renew the NCIB for a further 12 months. Our current intention is to fully complete that renewed NCIB program during the course of 2024.

Finally, I will be stepping down from executive management of IPC at the end of 2023 with William Lundin, currently Chief Operating Officer of the Corporation, assuming the role of President and CEO. I plan to stay closely involved with the bright future of IPC as a continuing member of the Board of Directors."

Q3 2023 Business Highlights

- Strong quarterly average net production of approximately 50,200 barrels of oil equivalent (boe) per day (boepd) for the third quarter of 2023 (55% heavy crude oil, 14% light and medium crude oil and 31% natural gas).⁽¹⁾
- Blackrod Phase 1 development progressing on schedule and budget.
- Disposal of non-core properties in Canada for MUSD 17 (0.6 MMboe of 2P reserves; approximately 400 bopd of average current production).⁽¹⁾⁽²⁾
- Successfully completed planned maintenance turnaround at the Bertam Field in Malaysia on scope, schedule and budget.
- 1.31 million common shares purchased and cancelled during Q3 2023 under IPC's normal course issuer bid (NCIB); annual program 90% complete.
- IPC plans to seek TSX approval for the renewal of the NCIB for a further twelve months from December 2023 to December 2024, with IPC's current intention to fully complete the renewed program.
- Successfully completed USD 150 million tap issue under IPC's existing 7.25% senior unsecured bond framework.
- IPC succession plan sees William Lundin assume the role of President and CEO from January 1, 2024 as Mike Nicholson retires from executive management; Mike to continue as a Director of IPC and William to join the Board as a new Director.

Q3 2023 Financial Highlights

- Operating costs per boe of USD 17.9 for Q3 2023.⁽¹⁾⁽³⁾
- Operating cash flow (OCF) generation for Q3 2023 amounted to MUSD 119.⁽¹⁾⁽³⁾
- Capital and decommissioning expenditures of MUSD 80 for Q3 2023.⁽¹⁾
- Free cash flow (FCF) generation for Q3 2023 amounted to MUSD 35 (MUSD 103 pre Blackrod funding).⁽¹⁾⁽³⁾
- Net cash of MUSD 83 as at September 30, 2023.⁽³⁾
- Net result of MUSD 72 for Q3 2023.

Reserves and Resources

- Total 2P reserves as at December 31, 2022 of 487 million boe (MMboe), with a reserves life index (RLI) of 27 years.⁽¹⁾⁽²⁾
- Contingent resources (best estimate, unrisks) as at December 31, 2022 of 1,162 MMboe.⁽¹⁾⁽²⁾

2023 Annual Guidance

- Full year 2023 average net production forecast unchanged at greater than 50,000 boepd.⁽¹⁾
- Full year 2023 operating costs guidance forecast remains unchanged at USD 17.5 to 18.0 per boe.⁽¹⁾⁽³⁾
- Full year 2023 OCF guidance tightened to between MUSD 340 to 365 (assuming Brent USD 80 to 90 per barrel for the remainder of 2023) from previous guidance of MUSD 320 to 390 (assuming Brent USD 75 to 90 per barrel).⁽¹⁾⁽³⁾
- Full year 2023 capital and decommissioning expenditures forecast reduced from MUSD 365 to MUSD 330.⁽¹⁾
- Full year 2023 FCF forecast range tightened to between MUSD -15 to 5 (assuming Brent USD 80 to 90 per barrel for the remainder of 2023) from previous guidance of MUSD -65 to 5 (assuming Brent USD 75 to 90 per barrel), after taking into account MUSD 240 of proposed 2023 Blackrod capital expenditures.⁽¹⁾⁽³⁾⁽⁴⁾

USD Thousands	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Revenue	257,366	299,361	655,446	874,683
Gross profit	93,429	140,489	210,559	421,298
Net result	71,681	90,503	143,269	276,542
Operating cash flow ⁽²⁾	119,142	171,654	279,414	509,279
Free cash flow ⁽²⁾	34,703	116,681	67,379	364,954
EBITDA ⁽²⁾	123,054	174,328	284,334	513,829
Net Cash / (Debt) ⁽²⁾	83,097	88,615	83,097	88,615

Oil prices rebounded during the third quarter with Brent prices averaging USD 87 per barrel compared with USD 78 per barrel during the second quarter. The strength we have seen in physical markets shone through, with recessionary fears on the back of higher interest rates taking a back seat during the quarter. However, more recent talk of higher interest rates for longer by the Federal Reserve Bank, led to oil prices retreating from a push towards USD 100 per barrel in late September, back towards USD 85 per barrel in early October.

Looking forward, the decision by OPEC+ to extend their 'voluntary cuts' through the end of 2023, could set the stage for a large deficit and further draws on already below average inventories during the fourth quarter. Inventory levels now sit more than 100 million barrels below the five-year average levels. Heightened tensions, with the tragic outbreak of war in the Middle East, are exacerbating the situation and will no doubt lead to increased pricing volatility going forward.

IPC has decided to commence the hedging of its benchmark oil price exposure for 2024. Around 25% of 2024 West Texas Intermediate (WTI) exposure has been hedged at a price of USD 81 per barrel.

The third quarter 2023 WTI to Western Canadian Select (WCS) crude price differentials averaged around USD 13 per barrel, a USD 2 per barrel improvement on the second quarter. The fundamental outlook for 2024 differentials remains positive with the expansion of the Trans Mountain (TMX) pipeline (590,000 barrels per day of extra capacity linking Edmonton to the port of Vancouver) as well as a reduction in Mexican heavy oil exports to the US (due to domestic refinery capacity increases by more than 200,000 barrels per day). That being said, a possible delay in start-up of the TMX pipeline from the first quarter to the second quarter of 2024 as a result of a tunnelling issue, has seen 2024 WTI to WCS differential widen to more than USD 17 per barrel. IPC took the decision to hedge 75% of our WCS differential exposure prior to news of the TMX pipeline potential delay, when market prices were more favourable averaging USD 15 per barrel.

Gas market prices held stable during the third quarter at around CAD 2.50 per Mcf. During the third quarter, IPC continued to benefit from the AECO gas price hedges that were put in place when gas prices were much stronger in late 2022: 33.7 MMcf per day at CAD 4.10 per Mcf from April to October 2023, which represents approximately 50% of our net long exposure.

Third Quarter 2023 Highlights and Full Year 2023 Guidance

During the third quarter of 2023, our assets delivered average net production of 50,200 boepd, above our high-end guidance for the third quarter in succession. Above high-end guidance performance in Canada was partially offset by some downtime from two production wells in Malaysia that are scheduled for workover intervention activity. This work is expected to be concluded by January 2024. Given the very strong performance during the first nine months of 2023 averaging around 51,600 boepd, full year 2023 average net production guidance remains unchanged at greater than 50,000 boepd, above our original high end guidance.⁽¹⁾

Our operating costs per boe for the third quarter of 2023 were USD 17.9, in line with our latest guidance. Full year 2023 operating costs per boe guidance of USD 17.5 to 18.0 per boe remains unchanged.⁽¹⁾⁽³⁾

Operating cash flow (OCF) generation for the third quarter of 2023 was USD 119 million, towards the high end of guidance, driven by strong production and tighter WTI to WCS differentials. Full year 2023 OCF guidance of USD 320 to 390 million (assuming Brent USD 75 to 90 per barrel) is tightened to USD 340 to 365 million (assuming Brent USD 80 to 90 per barrel for the remainder of 2023).⁽¹⁾⁽³⁾

Full year 2023 capital and decommissioning expenditure forecast of USD 365 million is revised down to USD 330 million largely driven by rephasing of certain Blackrod capital expenditure from 2023 into 2024 and some additions relating to the workover of two wells in Malaysia.⁽¹⁾

Free cash flow (FCF) generation was USD 35 million (USD 103 million pre Blackrod funding) during the third quarter of 2023. Full year 2023 FCF guidance of USD -65 to 5 million (assumed Brent USD 75 to 90 per barrel) is tightened to USD -15 to 5 million (assuming Brent USD 80 to 90 per barrel for the remainder of 2023).⁽¹⁾⁽³⁾⁽⁴⁾

IPC's transformational growth program is estimated to generate FCF post growth investment of between USD 2.6 and 4.4 billion over the next ten years assuming average Brent oil prices between USD 75 to 95 per barrel. This represents more than 2 to 3 times IPC's current market capitalisation.⁽¹⁾⁽³⁾⁽⁴⁾

During the third quarter of 2023, IPC successfully completed a tap issue of USD 150 million under IPC's existing 7.25% senior unsecured bond framework issued at 7% discount to par value and therefore with net proceeds amounting to USD 139.5 million to further strengthen IPC's cash position. Following the tap issue, IPC has USD 450 million of senior unsecured bonds outstanding with maturity in February 2027.

IPC's net cash position of USD 64 million as at June 30, 2023 was increased to USD 83 million as at September 30, 2023.⁽³⁾ Gross cash on the balance sheet as at September 30, 2023 amounts to USD 542 million providing a significant war chest to pursue our three strategic pillars of returning value to stakeholders, pursuing value adding M&A and focusing on organic growth. Furthermore, during Q3 2023, IPC increased its Canadian Revolving Credit Facility (RCF) from CAD 150 million to CAD 165 million. The RCF remains undrawn as at October 31, 2023.

Phase 1 Blackrod Project

Following the successful completion of FEED studies and the continued strong production performance from well pair three during 2022, IPC took the decision in Q1 2023 to advance the development of Phase 1 of the Blackrod project. Development capital expenditure to first oil is estimated at approximately USD 850 million. First oil of the Phase 1 development is estimated to be in late 2026, with forecast production of 30,000 bopd by 2028. The breakeven oil price estimated by IPC assuming a 10% discount rate is a WTI price of approximately USD 59 per barrel. Using the December 31, 2022 price forecasts of our independent qualified reserves evaluator, Sproule Associates Limited (Sproule), the net present value as at that date, at a 10% discount rate (after tax), of Phase 1 of the Blackrod project is USD 807 million. IPC intends to fund the Phase 1 development with cash on hand and forecast FCF generated by our operations.⁽¹⁾⁽²⁾

During the third quarter, the Phase 1 development activities have progressed according to plan. The engineering, procurement and construction (EPC) contract for the major Phase 1 central processing facility was signed in Q2 2023 and project work continued to progress during Q3 2023 with cost levels and schedule in line with expectation. In addition, IPC has locked in more than 70% of the CAD/USD exposure through a combination of hedging and contractual arrangements to give greater certainty to the USD funding requirement for the Phase 1 project costs.

M&A

During the first nine months of 2023, IPC continued the successful integration of the acquired Brooks assets into the Group following completion of the Cor4 acquisition in March 2023. Four wells were successfully drilled and brought on production from the Eilerslie fairway since the beginning of the year and we plan to drill another four wells on this exciting play in 2023, two more than originally planned.⁽¹⁾⁽²⁾

During the third quarter, IPC agreed to dispose of a small package of non-core production and land assets in the John Lake and Fishing Lake areas in Canada. Total proceeds from the disposal amounted to USD 17 million. Current production associated with the assets was around 365 bopd. 2P reserves and NPV10 value as of January 1, 2023 were 0.6 MMboe and USD 7.7 million respectively. The John Lake disposal closed in Q3 2023 and Fishing Lake early October 2023.⁽¹⁾⁽²⁾

Capital Allocation Framework

Normal Course Issuer Bid

In Q4 2022, IPC announced the renewal of the NCIB, with the ability to repurchase up to approximately 9.3 million common shares over the twelve-month period to early December 2023. By the end of September 2023, IPC purchased and cancelled 8.4 million common shares under the NCIB. The average price of common shares purchased under the renewed NCIB during the period of December 2022 to September 2023 was SEK 101 / CAD 13.00 per share. IPC expects to complete the current NCIB program of 9.3 million common shares during Q4 2023.

As at September 30, 2023, IPC had a total of 129,189,220 common shares issued and outstanding, with no common shares held in treasury.

Capital Allocation Plans

IPC's capital allocation framework consists of distributing to shareholders a minimum of 40% of the FCF generated by the business, provided that IPC's net debt to EBITDA ratio is at or below 1 time.⁽³⁾ These shareholder distributions are planned to be implemented by continued share repurchases under the NCIB as well as the consideration by IPC of other forms of shareholder distributions, subject to further applicable regulatory and corporate approvals.

The IPC Board of Directors has approved, subject to acceptance by the TSX, the renewal of IPC's NCIB for a further twelve months from December 2023 to December 2024. We expect that the renewed NCIB program will permit IPC to purchase on the TSX and/or Nasdaq Stockholm, and cancel, up to a further 8.3 million common

shares, representing approximately 6.5% of the total outstanding common shares (or 10% of IPC's "public float" under applicable TSX rules) following completion of the current NCIB program.

Despite the level of capital investment expected for 2024, in particular related to the Blackrod Phase 1 project, and notwithstanding the capital allocation framework described above, IPC's current intention is to complete the renewed NCIB program during 2024. We continue to believe that materially growing our 2P reserves, production and asset value whilst reducing our share count is a winning combination for shareholders.

Environmental, Social and Governance ("ESG") Performance

Alongside the publication of the second quarter 2023 financial report, IPC released its fourth annual Sustainability Report and its first standalone TCFD Report. IPC is committed to the continued advancement of ESG practices in its sustainability focus areas. The Group's six sustainability priorities are:

- Ethics & Integrity
- Rewarding Workplace
- Health & Safety
- Community Engagement
- Climate Action
- Environmental Stewardship

As part of IPC's commitment to operational excellence, its objective is to reduce risk and eliminate hazards to prevent the occurrence of accidents, ill health, and environmental damage, as these are essential to the success of our operations. During the third quarter of 2023, IPC recorded no material safety or environmental incidents.

With respect to climate action, as previously announced, IPC targets a reduction of net GHG emissions intensity by the end of 2025 to 50% of IPC's 2019 baseline and IPC remains on track to achieve this reduction. During Q1 2023, IPC extended its commitment to remain at 2025 levels of 20 kg CO₂/boe through to the end of 2027.

IPC Succession Plan

After nineteen years with the Lundin Group, Mike Nicholson, President and CEO has informed the IPC Board of his intention to step down from his executive position at the end of 2023. William Lundin, currently Chief Operating Officer of IPC (COO), will assume the role of President and CEO from January 1, 2024 and Nicki Duncan, currently Group Operations Lead, will assume the role of COO. The Board intends to increase the size of the Board to seven members and William will join as a new Director as of January 1, 2024, with Mike remaining on the Board.

Mike Nicholson said:

"IPC is generating robust cash flow from the base business, the balance sheet is stronger than ever, and our Blackrod growth project is progressing well, on schedule and budget.

I firmly believe that our production and cash flow growth, coupled with continued share buy backs and opportunistic M&A, will continue to generate superior shareholder returns in the years ahead.

I am excited to be handing over the reins to William Lundin, current COO of IPC, with such a bright future ahead of the company. Having had the pleasure of working side by side with Will for more than three years in his current role, I have been deeply impressed with his knowledge of value creation within the resource industry and the vision that we share to set the pace for our industry peers and to continue to outperform the competition. Will has amassed a vast amount of experience from working in field operations at Onion Lake Thermal and project management in the Canadian business, executive management within IPC, and strategic oversight in his various board positions across the Lundin Group. I know that Lukas Lundin would be very proud of Will's progression to CEO. The COO role will be assumed by Nicki Duncan, currently IPC's Group Operations Lead.

I am delighted to remain as a Board Director and in this capacity look forward to my continued involvement in the amazing IPC success story."

William Lundin said:

"It has been a privilege working alongside Mike. His contributions to IPC and Lundin Energy have been invaluable and we look forward to his continued support as a Director of IPC.

I take great pride in having the opportunity to represent IPC as President and CEO and look forward in continuing to maximise value alongside a highly talented team. Our strategy remains intact to deliver shareholder returns, grow organically, and opportunistically seek accretive acquisitions. With a strong balance sheet, proven portfolio of high-quality producing assets delivering robust free cashflow to the business combined with transformational production growth to come from our Blackrod asset, the outlook for IPC is extremely bright."

Notes:

- (1) See "Supplemental Information regarding Product Types" in "Reserves and Resources Advisory" below. See also the annual information form for the year ended December 31, 2022 (AIF) available on IPC's website at www.international-petroleum.com and under IPC's profile on SEDAR+ at www.sedarplus.ca. IPC completed the acquisition of Cor4 on March 3, 2023. The Financial Statements have been prepared on that basis, with revenues and expenses related to the Brooks assets acquired in the Cor4 acquisition included in the Financial Statements from March 3, 2023. Certain historical and forecast operational and financial information included in the MD&A, including production, reserves, operating costs, OCF, FCF and EBITDA related to the assets acquired in the Cor4 acquisition, are reported based on the effective date of the Cor4 acquisition of January 1, 2023.
- (2) See "Reserves and Resources Advisory" below. Further information with respect to IPC's reserves, contingent resources and estimates of future net revenue, including assumptions relating to the calculation of NPV, are described in the AIF. 2P reserves as at December 31, 2022 of 487 MMboe includes 471 MMboe attributable to IPC's oil and gas assets and 15.9 MMboe attributable to the oil and gas assets acquired in the Cor4 acquisition.
- (3) Non-IFRS measure, see "Non-IFRS Measures" below.
- (4) Estimated FCF generation is based on IPC's current business plans over the periods of 2023 to 2027 and 2028 to 2032, including net cash of USD 175 million as at December 31, 2022 less the Cor4 acquisition consideration of USD 62 million. Assumptions include average net production of approximately 50 Mboepd over the period of 2023 to 2027, average net production of approximately 65 Mboepd over the period of 2028 to 2032, average Brent oil prices of USD 75 to 95 per boe escalating by 2% per year, and average Brent to Western Canadian Select differentials and average gas prices as estimated by IPC's independent reserves evaluator and as further described in the AIF. IPC's market capitalization is at close on October 27, 2023 (USD 1,330 million based on 114.85 SEK/share, 129.2 million IPC shares outstanding and exchange rate of 11.15 SEK/USD). IPC's current business plans and assumptions, and the business environment, are subject to change. Actual results may differ materially from forward-looking estimates and forecasts. See "Forward-Looking Statements" below.

International Petroleum Corp. (IPC) is an international oil and gas exploration and production company with a high quality portfolio of assets located in Canada, Malaysia and France, providing a solid foundation for organic and inorganic growth. IPC is a member of the Lundin Group of Companies. IPC is incorporated in Canada and IPC's shares are listed on the Toronto Stock Exchange (TSX) and the Nasdaq Stockholm exchange under the symbol "IPCO".

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This information is information that International Petroleum Corporation is required to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the contact persons set out above, at 07:30 CET on October 31, 2023. The Corporation's unaudited interim condensed consolidated financial statements (Financial Statements) and management's discussion and analysis (MD&A) for the three and nine months ended September 30, 2023 have been filed on SEDAR+ (www.sedarplus.ca) and are also available on the Corporation's website (www.international-petroleum.com).

Forward-Looking Statements

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

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

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

- 2023 production range, operating costs, operating cash flow, free cash flow, and capital and decommissioning expenditure estimates;
- Estimates of future production, cash flows, operating costs and capital expenditures that are based on IPC's current business plans and assumptions regarding the business environment, which are subject to change;
- IPC's financial and operational flexibility to continue to react to recent events and navigate the Corporation through periods of volatile commodity prices;
- IPC's continued access to its existing credit facilities, including current financial headroom, on terms acceptable to the Corporation;
- The ability to fully fund future expenditures from cash flows and current borrowing capacity;
- IPC's ability to maintain operations, production and business in light of any future pandemics and the restrictions and disruptions related thereto, including risks related to production delays and interruptions, changes in laws and regulations and reliance on third-party operators and infrastructure;
- IPC's intention and ability to continue to implement our strategies to build long-term shareholder value;
- The ability of IPC's portfolio of assets to provide a solid foundation for organic and inorganic growth;
- The continued facility uptime and reservoir performance in IPC's areas of operation;
- Future development potential of the Suffield and Ferguson operations in Canada, including the timing and success of future oil and gas drilling and optimization programs;
- Development of the Blackrod project in Canada, including estimates of resource volumes, future production, timing, regulatory approvals, third party commercial arrangements, breakeven oil prices and net present values;
- Current and future drilling pad production at Onion Lake Thermal;
- The potential improvement in the Canadian oil egress situation and IPC's ability to benefit from any such improvements;
- The ability of IPC to achieve and maintain current and forecast production in France and Malaysia;
- The ability of IPC to acquire further common shares under the NCIB, including the timing of any such purchases;
- The ability of IPC to renew the NCIB and the number of common shares which may be purchased under a renewed NCIB;
- The return of value to IPC's shareholders as a result of the NCIB;
- The ability of IPC to implement further shareholder distributions in addition to the NCIB;
- IPC's ability to implement its GHG emissions intensity and climate strategies and to achieve its net GHG emissions intensity reduction targets;
- Estimates of reserves and contingent resources;
- The ability to generate free cash flows and use that cash to repay debt;
- IPC's ability to identify and complete future acquisitions; and
- Future drilling and other exploration and development activities.

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

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

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

Additional information on these and other factors that could affect IPC, or its operations or financial results, are included in the MD&A (See "Cautionary Statement Regarding Forward-Looking Information" and "Reserves and Resources Advisory" therein), the Corporation's Annual Information Form (AIF) for the year ended December 31, 2022 (See "Cautionary Statement Regarding Forward-Looking Information", "Reserves and Resources Advisory" and "Risk Factors" therein) and other reports on file with applicable securities regulatory authorities, including previous financial reports, management's discussion and analysis and material change reports, which may be accessed through the SEDAR+ website (www.sedarplus.ca) or IPC's website (www.international-petroleum.com).

Management of IPC approved the production, operating costs, operating cash flow, capital and decommissioning expenditures and free cash flow guidance and estimates contained herein as of the date of this press release. The purpose of these guidance and estimates is to assist readers in understanding IPC's expected and targeted financial results, and this information may not be appropriate for other purposes.

Estimated FCF generation is based on IPC's current business plans over the periods of 2023 to 2027 and 2028 to 2032. Assumptions include average net production of approximately 50 Mboepd over the period of 2023 to 2027, average net production of approximately 65 Mboepd over the period of 2028 to 2032, average Brent oil prices of USD 75 to 95 per boe escalating by 2% per year, and average Brent to Western Canadian Select differentials and average gas prices as estimated by IPC's independent reserves evaluator and as further described in the AIF. IPC's current business plans and assumptions, and the business environment, are subject to change. Actual results may differ materially from forward-looking estimates and forecasts.

Non-IFRS Measures

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

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

Operating cash flow

The following table sets out how operating cash flow is calculated from figures shown in the Financial Statements:

USD Thousands	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Revenue	257,366	299,361	655,446	879,683
Production costs	(130,765)	(122,655)	(364,889)	(356,344)
Current tax	(7,459)	(5,052)	(16,045)	(14,049)
Operating cash flow	119,142	171,654	274,512	509,279

The operating cash flow for the first nine months of 2023 including the operating cash flow contribution of the Cor4 acquisition from the effective date of January 1, 2023 to the completion date of March 3, 2023 amounted to USD 279,414 thousand.

Free cash flow

The following table sets out how free cash flow is calculated from figures shown in the Financial Statements:

USD Thousands	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Operating cash flow - see above	119,142	171,654	274,512	509,279
Capital expenditures	(76,844)	(46,729)	(183,904)	(114,870)
Abandonment and farm-in expenditures ¹	(2,755)	(1,517)	(7,683)	(5,877)
General, administration and depreciation expenses before depreciation ²	(3,547)	(2,378)	(11,124)	(9,499)
Cash financial items ³	(1,293)	(4,349)	(3,593)	(14,079)
Free cash flow	34,703	116,681	68,208	364,954

¹ See note 17 to the Financial Statements

² Depreciation is not specifically disclosed in the Financial Statements

³ See notes 4 and 5 to the Financial Statements

The free cash flow for the first nine months of 2023 including the free cash flow contribution of the Cor4 acquisition from the effective date of January 1, 2023 to the completion date of March 3, 2023 amounted to USD 67,379 thousand.

EBITDA

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

USD Thousands	Three months ended September 30		Nine months ended September 30	
	2023	2022	2023	2022
Net result	71,681	90,503	143,269	276,542
Net financial items	4,257	9,225	16,227	31,129
Income tax	25,451	37,977	50,671	102,927
Depletion	31,687	31,939	71,488	91,721
Depreciation of other tangible fixed assets	1,509	2,991	6,503	8,092
Exploration and business development costs	(24)	1,287	2,007	2,217
Depreciation included in general, administration and depreciation expenses ¹	405	406	1,180	1,201
Sale of assets	(11,912)	–	(11,912)	–
EBITDA	123,054	174,328	279,433	513,829

¹ Item is not shown in the Financial Statements

The EBITDA for the first nine months of 2023 including the EBITDA contribution of the Cor4 acquisition from the effective date of January 1, 2023 to the completion date of March 3, 2023 amounted to USD 284,334 thousand.

Operating costs

The following table sets out how operating costs is calculated:

USD Thousands	Three months ended September 30		Nine months ended September 30	
	2023	2022	2022	2021
Production costs	130,765	122,655	364,889	351,355
Cost of blending	(39,836)	(42,358)	(128,523)	(142,638)
Change in inventory position	(8,067)	(9,294)	2,228	4,434
Operating costs	82,862	71,003	238,594	213,151

The operating costs for the first nine months of 2023 including the operating costs contribution of the Cor4 acquisition from the effective date of January 1, 2023 to the completion date of March 3, 2023 amounted to USD 245,395 thousand.

Net cash

The following table sets out how net cash is calculated:

USD Thousands	September 30, 2023	December 31, 2022
Bank loans	(9,511)	(12,142)
Bonds ¹	(450,000)	(300,000)
Cash and cash equivalents	542,608	487,240
Net cash	83,097	175,098

¹ The bond amount represents the redeemable value at maturity (February 2027).

Reserves and Resource Advisory

This press release contains references to estimates of gross and net reserves and resources attributed to the Corporation's oil and gas assets. For additional information with respect to such reserves and resources, refer to "Reserves and Resource Advisory" in IPC's MD&A and AIF. Light, medium and heavy crude oil reserves/resources disclosed in this press release include solution gas and other by-products. Also see "Supplemental Information regarding Product Types" below.

Reserve estimates, contingent resource estimates and estimates of future net revenue in respect of IPC's oil and gas assets in Canada (other than the assets acquired in the Cor4 acquisition) are effective as of December 31, 2022, and are included in the reports prepared by Sproule Associates Limited (Sproule), an independent qualified reserves evaluator, in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (NI 51-101) and the Canadian Oil and Gas Evaluation Handbook (the COGE Handbook) and using Sproule's December 31, 2022 price forecasts.

Reserve estimates and estimates of future net revenue in respect of IPC's oil and gas assets acquired in the Cor4 acquisition are effective as of December 31, 2022 and are included in the report prepared by GLJ Ltd. (GLJ), an independent qualified reserves auditor, in accordance with NI 51-101 and the COGE Handbook, and using Sproule's December 31, 2022, price forecasts.

Reserve estimates, contingent resource estimates and estimates of future net revenue in respect of IPC's oil and gas assets in France and Malaysia are effective as of December 31, 2022, and are included in the report prepared by ERC Equipoise Ltd. (ERCE), an independent qualified reserves auditor, in accordance with NI 51-101 and the COGE Handbook, and using Sproule's December 31, 2022 price forecasts.

The price forecasts used in the Sproule, GLJ and ERCE reports are available on the website of Sproule (sproule.com) and are contained in the AIF. These price forecasts are as at December 31, 2022 and may not be reflective of current and future forecast commodity prices.

The reserve life index (RLI) is calculated by dividing the 2P reserves of 487 MMboe as at December 31, 2022 (including 15.9 MMboe acquired in the Cor4 acquisition), by the mid-point of the 2023 CMD production guidance of 48,000 to 50,000 boepd.

IPC uses the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). A BOE conversion ratio of 6:1 is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a 6:1 conversion basis may be misleading as an indication of value.

Supplemental Information regarding Product Types

The following table is intended to provide supplemental information about the product type composition of IPC's net average daily production figures provided in this press release:

	Heavy Crude Oil (Mbopd)	Light and Medium Crude Oil (Mbopd)	Conventional Natural Gas (per day)	Total (Mboepd)
Three months ended				
September 30, 2023	25.8	7.1	103.4 MMcf (17.3 Mboe)	50.2
September 30, 2022	22.7	10.4	101.5 MMcf (16.9 Mboe)	50.0
Nine months ended				
September 30, 2023	25.9	8.6	102.4 MMcf (17.1 Mboe)	51.6
September 30, 2022	22.6	9.4	98.1 MMcf (16.4 Mboe)	48.4
Year ended				
December 31, 2022	22.6	9.6	98.1 MMcf (16.4 Mboe)	48.6

This press release also makes reference to IPC's forecast total average daily production of 48,000 to 50,000 boepd for 2023. IPC estimates that approximately 51% of that production will be comprised of heavy oil, approximately 16% will be comprised of light and medium crude oil and approximately 33% will be comprised of conventional natural gas.

Currency

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