

## **International Petroleum Corporation 2017 First Quarter Financial Results**

**International Petroleum Corporation (“IPC” or the “Corporation”) (TSX, Nasdaq First North: IPCO), today released its financial and operating results and related management’s discussion and analysis (“MD&A”) for the first quarter ending March 31, 2017.**

As previously announced, the spin-off by Lundin Petroleum AB of its non-Norwegian producing assets into IPC was completed and on April 24, 2017, all of the common shares of IPC were distributed to the shareholders of Lundin Petroleum. The common shares of IPC commenced trading that day on the Toronto Stock Exchange and Nasdaq First North. The Corporation intends to seek the listing of its common shares on the Nasdaq Stockholm early in the second half of 2017, subject to fulfilling the requirements of Nasdaq Stockholm.

### **Management Comment**

Mike Nicholson, IPC's Chief Executive Officer, commented,

"I am pleased with IPC's strong first quarter performance, with production of 11,500 boepd coming in ahead of our mid-point guidance. This was driven by continued high uptime performance on the Bertam FPSO and good performance in France and the Netherlands. I firmly believe we can add further value to our assets in France and Malaysia by actively pursuing organic growth opportunities in France and infill drilling in Malaysia. We expect to be able to provide more information on progressing these opportunities in our second quarter results. In addition, we are busy evaluating a number of potential acquisition opportunities and we remain encouraged by the quality of the assets we are seeing on the market.

Our shareholders who received their IPC common shares in the spin-off have been well rewarded under Lundin Petroleum. While the offer was announced to purchase a portion of common shares of IPC and Statoil have agreed to tender their shares into that offer, I hope you will join me, my experienced management team and our Board as we seek to use this excellent platform to grow a new internationally focused upstream exploration and production company"

### **Financial and Operational Highlights**

- Quarterly production averaged 11,511 barrels of oil equivalent per day (boepd), above the mid-point guidance for the same period. IPC production guidance for 2017 remains unchanged at 9,000 boepd to 11,000 boepd for the full year.

- Facilities uptime on the Bertam FPSO in Malaysia was in excess of 99%, well above industry average and all assets have performed well.
- Total revenue was USD 51.9 million in Q1 2017 with an average realised crude oil sales price of USD 54.87/bbl which is a premium to the average Brent price over the quarter.
- Production costs (excluding inventory movements and FPSO costs) amounted to USD 12.8 million, an average of USD 12.33/boe for the quarter, below IPC production cost guidance for Q1 2017.
- IPC generated strong cash flow from operations in Q1 2017 at USD 39.2 million, well above the USD 28.2 million from Q1 2016.
- Subsequent to the end of the first quarter, IPC entered into a 2.25 year, USD 100 million reserve-based lending facility, which will be used to finance the share purchase offer .

US\$ Thousands	Q1 2017	Q1 2016
Revenue	51,932	46,222
Cash flow generated from operations	39,237	28,198
Net result attributable to shareholders of the Parent Company	4,456	(51,096)

*International Petroleum Corp. (IPC) is a new international oil and gas exploration and production company with a high quality portfolio of assets located in Europe and South East Asia, 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 First North Exchange (Stockholm) under the symbol "IPCO". Pareto Securities AB is the Corporation's Certified Adviser on Nasdaq First North.*

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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 08.30 CEST on 9 May 2017. The Company's interim consolidated carve-out financial statements, notes to the financial statements and management's discussion and analysis have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and are also available on the Company's website ([www.international-petroleum.com](http://www.international-petroleum.com)).

### **Forward-Looking Statements**

This press release may contain statements and information which constitute "forward-looking information" (within the meaning of applicable securities legislation). Such statements and information (together, "forward-looking statements") relate to future events, including the Company's future performance, business prospects or opportunities. Actual results may differ materially from those expressed or implied by forward-looking statements. Forward-looking statements 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, 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" 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 organic growth opportunities in France, infill drilling in Malaysia, potential acquisition opportunities, estimates of reserves, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities. Ultimate recovery of reserves or resources is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Reserve estimates and estimates of future net revenue are effective as of 31 December 2016 and were prepared by IPC in accordance with standards prescribed by National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators and audited by ERC Equipoise Ltd., an independent qualified reserves auditor.

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf per 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.