



International
Petroleum
Corp.

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2024 Tax Balances, Fiscal Terms and Royalties Rates

2024

Disclaimer

Economics Assumptions

All balances are estimated at January 1, 2024

Forward Looking Statements

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

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Canada Overview

- **Combination of royalties and corporate income tax**
- **Royalty payments due to the holder of the mineral rights and in some instances investors**
 - Holder of mineral rights can be Crown (Government), First Nations or Freehold (Private)
 - Royalties calculated on well-by-well basis and vary based on province, well type and product price
 - Gross Over-Riding Royalties (GORR's) also payable on certain assets
- **Corporate Income Tax Rate: 23-27%**
 - Federal Income Tax – 15%
 - Saskatchewan Province Income Tax – 12%
 - Alberta Province Income Tax – 8%
 - IPC Blended Income Tax Rate – 23-25%
- **Depreciation**
 - Capital costs (including many drilling/completion expenses) depreciation categories between 10-30% declining balance
 - Exploration cost depreciation 100%
- **Non-capital losses: ability to carry forward (20 taxation years) against future income and capital gains**
- **Capital losses: ability to carry forward (indefinitely) only to shelter future capital gains**
- **Interest on debt is tax deductible**
- **Deduction of interest on non-arm's length debt may be subject certain limitations**

Canada Royalties

- For Blackrod see separate slide

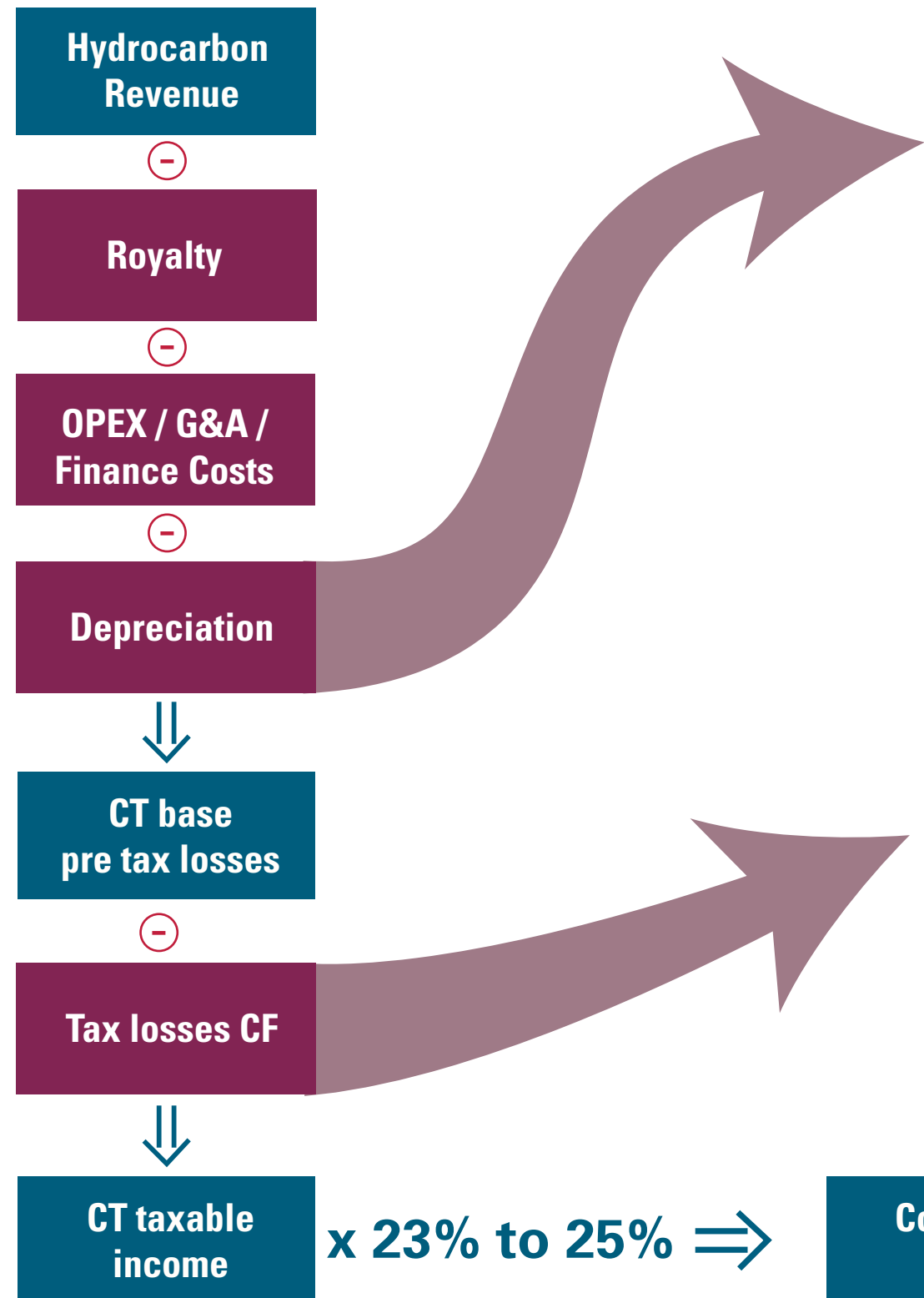
Asset ⁽¹⁾	Onion Lake Thermal	Brooks	Suffield Gas	Suffield Oil	Ferguson	Mooney	Other Conventional Oil Saskatchewan
Province	Saskatchewan	Alberta	Alberta	Alberta	Alberta	Alberta	Saskatchewan
Production Category	Enhanced Oil Recovery Projects	Oil ARF to modernised	Gas ARF to modernised	Enhanced Hydrocarbon Recovery Program & Oil MRF to modernised	Oil ARF and Oil MRF to modernised (Crown and Freehold)	EHRP & Oil MRF to modernised	New Heavy Oil (First Nations) 4 th Tier Heavy Oil (Crown)
Royalty Estimate Range (Mineral rights) ⁽³⁾	14-16% post payout ⁽²⁾	15–20%	3–4%	10–15%	23–28%	8–18%	20–25%
GORR Range	9–11%	2–3%	–	N/A	1%	2%	4–5%
Total Royalty ⁽³⁾ Estimate Range	23-27% post payout	17-23%	3–4%	10–15%	24–29%	10–20%	24–30%

⁽¹⁾ For detail on Blackrod, please see “Blackrod Royalties” slide

⁽²⁾ For detail on payout mechanism, please see “Onion Lake EOR Royalties” slide

⁽³⁾ Based on 2023 effective royalty rates

Canada Corporate Tax

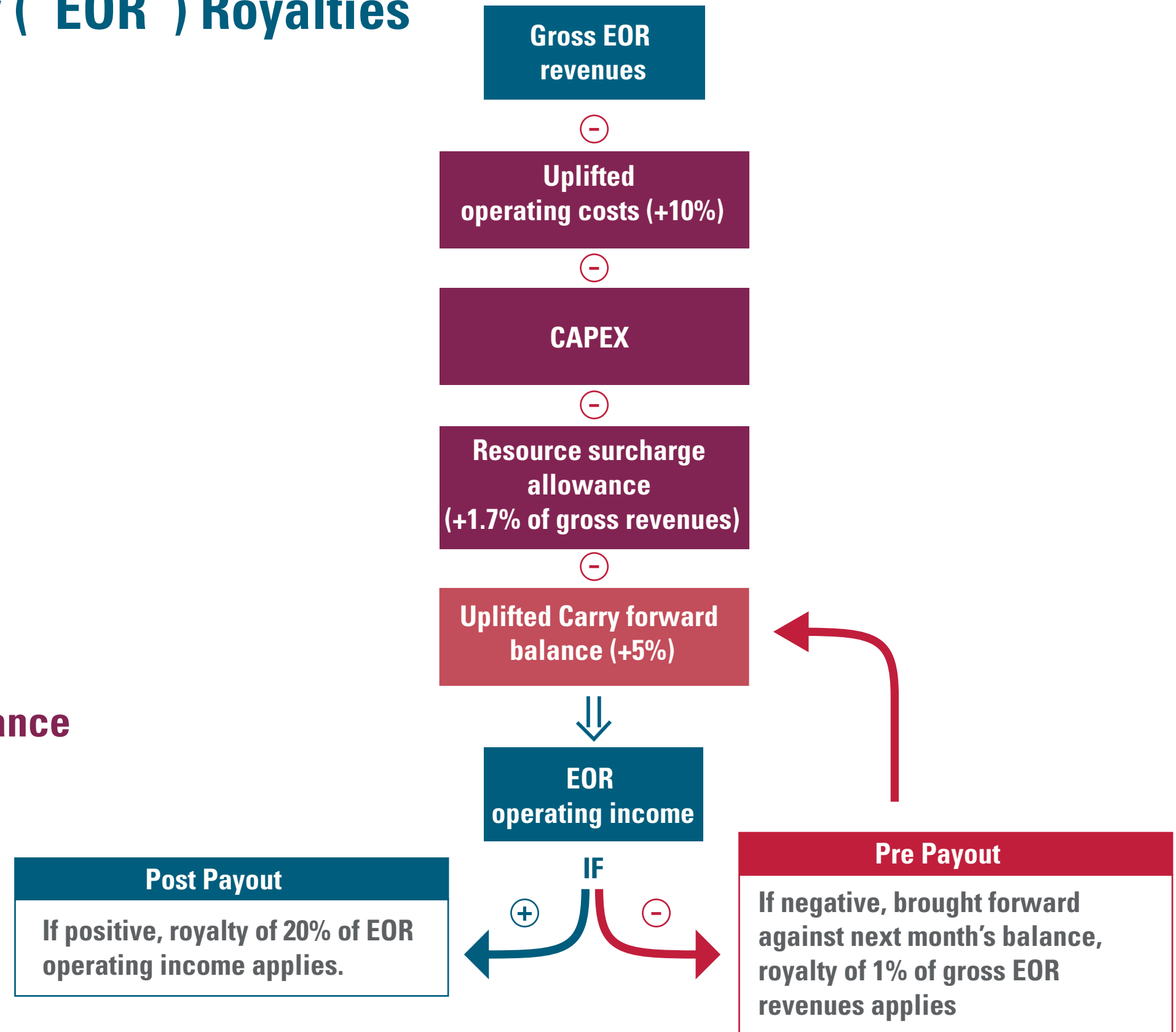


Historic Depreciation Bring Forward Balances January 1, 2024 (million CAD)			
Category	Description	DB%	Total
CCA Class 41	Oil & Gas production equipment	25%	393
CDE	Canadian Development Expenses	30%	109
CEE	Canadian Exploration Expenses	100%	–
COGPE	Canadian Oil & Gas Property Expenses	10%	251
Total			753

Tax Loss Carry Forward Balances January 1, 2024 (millionCAD)	
DB%	Total
Tax Loss Carry Forward	194

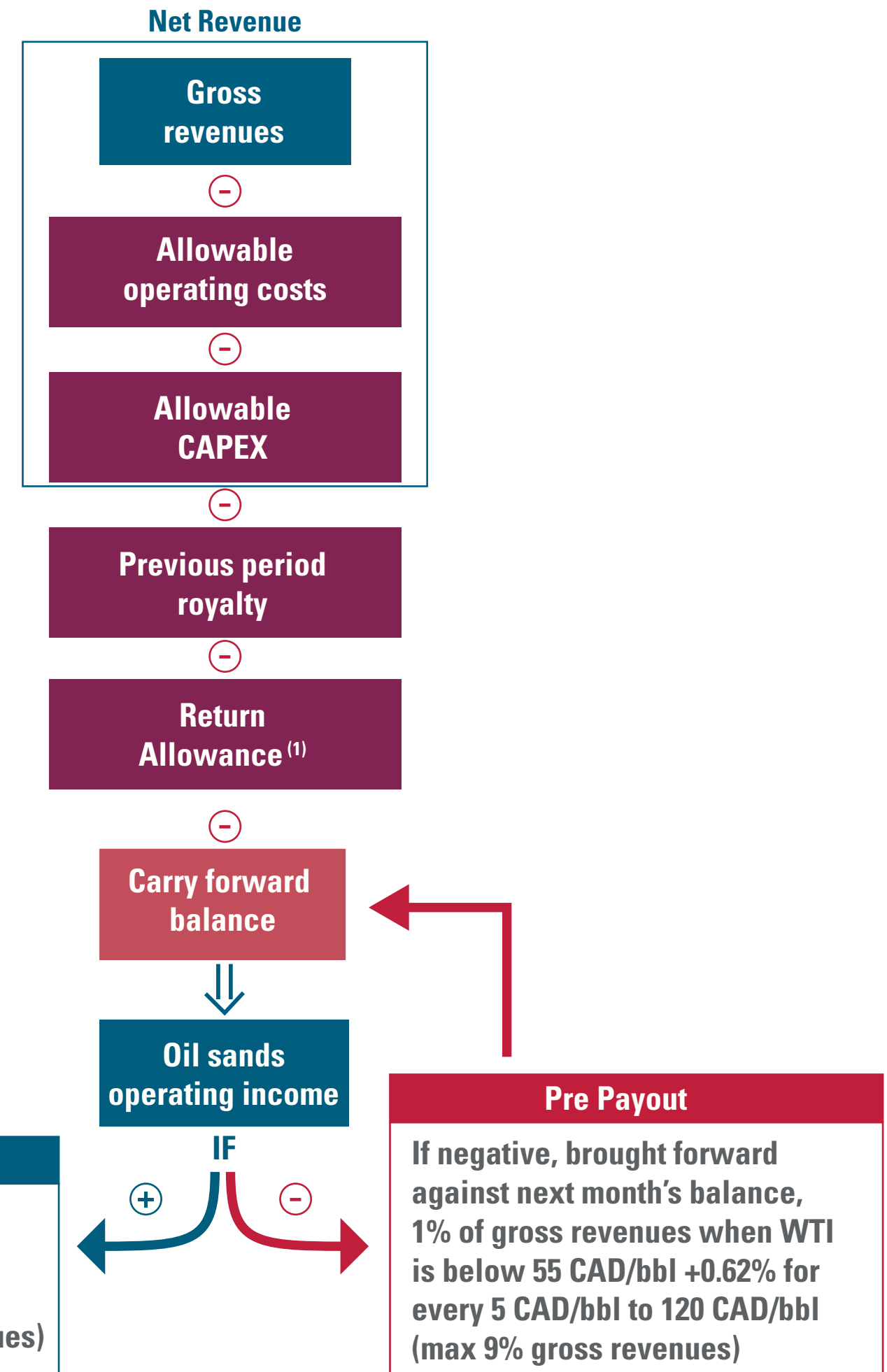
Onion Lake Enhanced Oil Recovery ("EOR") Royalties

- The EOR royalty system was designed to recognise the higher investment and operating costs associated with EOR projects, so amounts payable depend on the profitability of each project
- Lower royalty rates apply prior to payout of the EOR investments
- Onion Lake EOR royalty carry forward balance on December 31, 2023 is 0



Canada Blackrod Royalties

- Alberta oil sands project
- Blackrod royalties based on payout calculation
- Blackrod royalty carry forward balance on December 31, 2023 is 402 Million CAD



⁽¹⁾ Return allowance - Bank of Canada's long term bond rate applied to surplus at total costs minus total revenues

Malaysia Overview – Marginal Tax Regime

Marginal Tax Regime applies to

- Oil Fields < 30 mmbo
- Gas Field < 500 bcf

Production Sharing Contract (PSC)

PSC Revenue

- Royalty = 10% * Hydrocarbon Revenue
- Cost Oil = Min (unrecovered costs, Hydrocarbon Revenue * R-Factor based Cost Oil share⁽¹⁾)
- Excess Cost Oil = (Hydrocarbon Revenue * R-Factor based Cost Oil share⁽¹⁾ - Cost Oil) * R-Factor based Excess Cost Oil share⁽¹⁾
- Profit Oil = (Hydrocarbon Revenue - Royalty - Cost Oil - Excess Costs Oil) * R-Factor based Profit Oil share⁽¹⁾

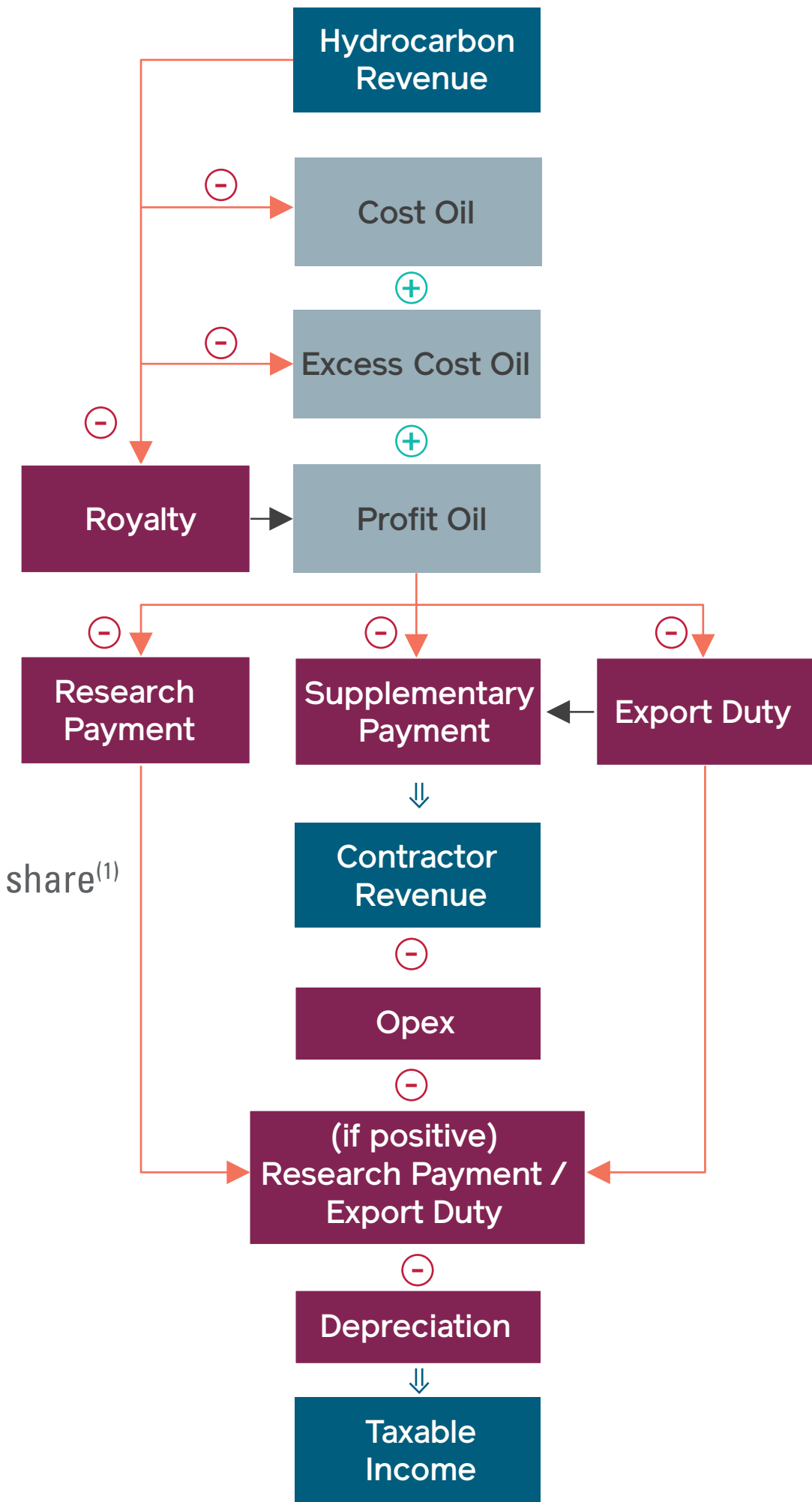
Other taxes and payments

- Research Payment = (Cost Oil + Excess Cost Oil + Profit Oil) * 0.5%
- Export Duty = (Excess Cost Oil + Profit Oil) * 10% (Standard) or 0% (Marginal)
- Supplementary Payment = (Excess Cost Oil + Profit Oil - Export Duty) * χ * 70%
- Contractor Revenue = Cost Oil + Excess Cost Oil + Profit Oil - Supplementary Payment

Corporate tax

- PITA marginal tax rate: 25%

$$\chi = \frac{\text{Actual Price} - \text{Base Price given by PSC}}{\text{Actual Price}}$$



⁽¹⁾ R-factor: See next slide for details

Malaysia

PM 307 PSC – Marginal Field Terms

- **R-Factor = Cumulative Contractor Revenue/Cumulative Cost**
 - Where Cost includes: OPEX, E&A, CAPEX and Decommissioning Provision

PM307: R-Factors			
	R-Factor	Cost Oil %	
Threshold 1	Up to 1.0	70%	
Threshold 2	1.0 to 1.4	60%	
Threshold 3	1.4 to 2.0	50%	
Threshold 4	2.0 to 2.5	30%	
Threshold 5	2.5 to 3.0	30%	
Threshold 6	more than 3.0	30%	
Excess Oil			
	R-Factor	< THV	> THV
Threshold 1	Up to 1.0	n/a	n/a
Threshold 2	1.0 to 1.4	80%	40%
Threshold 3	1.4 to 2.0	70%	40%
Threshold 4	2.0 to 2.5	60%	40%
Threshold 5	2.5 to 3.0	50%	40%
Threshold 6	more than 3.0	40%	20%
Profit Oil			
	R-Factor	< THV	> THV
Threshold 1	Up to 1.0	80%	40%
Threshold 2	1.0 to 1.4	70%	30%
Threshold 3	1.4 to 2.0	60%	30%
Threshold 4	2.0 to 2.5	50%	30%
Threshold 5	2.5 to 3.0	40%	30%
Threshold 6	more than 3.0	30%	10%

Field Threshold Volumes (THV)	
Oil (mmbo)	30
Gas (bcf)	750
Supplementary Payment Terms	
Base Year	1996
Base Price Oil (USD/bbl)	25
Base Price Gas (USD/mmbtu)	1.80
Escalation Factor Oil (%/yr)	4%
Escalation Factor Gas (%/yr)	4%
Rate Oil	70%
Rate Gas	70%
R-Factor Threshold ⁽¹⁾	1

⁽¹⁾ Threshold achieved when the Cumulative Contractor Revenue = Cumulative Cost

PM 307: Opening Balances @ January 1, 2024	MUSD	Depreciation Method
Cost Recovery & R-factor Calculation		
Cumulative Cost Oil to recover	(gross) 316	
Cumulative Revenue	(gross) 1,281	
Cumulative Costs	(gross) 1,359	
PITA Tax		
E&A	(gross) 9.8	15% DB or UOP
Facilities	(gross) 36	10% SL (Marginal)
Drilling before 2025	(gross) 3	15% SL with 40% in Year 1
Drilling 2025 and after	(gross) 0	8% SL with 28% in Year 1
Tax Loss brought forward	(gross) 0	

France Overview

Concession regime

Local Levy

- **USD/bbl equivalents:**
 - Onshore fields: 4.70 EUR/bbl
 - Offshore fields: 0.29 EUR/bbl

Royalty

- **8% of production above 1500 tonnes/year per field (> 30 bopd)**

Corporate Tax

- **Tax rate 25%**
- **3.3% *Contribution Additionnelle* (if Gross Tax > €763k)**
- **Applicable at a company level**

Field Type	Fields
Onshore	Courdemanges, DML, Grandville, Hautefeuille, La Motte Noire, Soudron, Vert La Gravelle, Villeperdue, Les Pins, Tamaris, Les Arbousiers, Merisier, Villeseneux, Amaltheus, Genièvre
Offshore	Courbey, Mimosas

Corporate Tax Payment Schedule	
15th March Year	6.25% of Year -2
15th June Year	12.5% of Year - 1 less payment 15/03
15th Sept Year	18.75% of Year - 1 less payments 15/03 and 15/06
15th Dec Year	25.0% of Year - 1 less payments 15/03, 15/06 and 15/09
15th May Year +1	25.0% of Year less payments 15/03, 15/06, 15/09 and 15/12

France

Tax Depreciation

Million EUR

Historic CAPEX Tax Depreciation Schedule (Net IPC)						
as at 01.01.2024	2024	2025	2026	2027	2028	2029
Aquitaine Basin	0.4	0.3	0.1	0.0	0.0	0.0
Paris Basin	18.3	9.3	7.1	6.4	2.9	2.7

Historic ABEX Tax Depreciation Schedule (Net IPC)						
as at 01.01.2024	2024	2025	2026	2027	2028	2029
Aquitaine Basin	0.0	0.0	0.0	0.0	0.0	0.0
Paris Basin	0.45	0.35	0.32	0.29	0.20	0.20



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