

# Q1

**International Petroleum Corporation**

---

*Interim Condensed Consolidated  
Financial Statements*

*For the three months ended March 31, 2024*



**International  
Petroleum  
Corp.**

# **Interim Condensed Consolidated Financial Statements**

For the three months ended March 31, 2024 and 2023, UNAUDITED

## **Contents**

<b>Interim Condensed Consolidated Statement of Operations</b>	<b>3</b>
<b>Interim Condensed Consolidated Statement of Comprehensive Income</b>	<b>4</b>
<b>Interim Condensed Consolidated Balance Sheet</b>	<b>5</b>
<b>Interim Condensed Consolidated Statement of Cash Flow</b>	<b>6</b>
<b>Interim Condensed Consolidated Statement of Changes in Equity</b>	<b>7</b>
<b>Notes to the Interim Condensed Consolidated Financial Statements</b>	<b>8</b>

## Interim Condensed Consolidated Statement of Operations

For the three months ended March 31, 2024 and 2023, UNAUDITED

		Three months ended March 31	
USD Thousands	Note	2024	2023
Revenue	2	206,419	192,516
<b>Cost of sales</b>			
Production costs	3	(115,745)	(117,527)
Depletion and decommissioning costs	8	(33,153)	(6,439)
Depreciation of other tangible fixed assets	8	(2,262)	(2,558)
Exploration and business development costs		(75)	(1,609)
<b>Gross profit</b>	2	<b>55,184</b>	<b>64,383</b>
General, administration and depreciation expenses		(3,949)	(4,194)
<b>Profit before financial items</b>		<b>51,235</b>	<b>60,189</b>
Finance income	4	5,617	4,924
Finance costs	5	(15,387)	(9,939)
<b>Net financial items</b>		<b>(9,770)</b>	<b>(5,015)</b>
<b>Profit before tax</b>		<b>41,465</b>	<b>55,174</b>
Income tax expense	6	(7,746)	(15,611)
<b>Net result</b>		<b>33,719</b>	<b>39,563</b>
<b>Net result attributable to:</b>			
Shareholders of the Parent Company		33,712	39,557
Non-controlling interest		7	6
		<b>33,719</b>	<b>39,563</b>
Earnings per share – USD <sup>1</sup>	14	<b>0.27</b>	0.29
Earnings per share fully diluted – USD <sup>1</sup>	14	<b>0.26</b>	0.28

<sup>1</sup> Based on net result attributable to shareholders of the Parent Company

See accompanying notes to the interim condensed consolidated financial statements

## Interim Condensed Consolidated Statement of Comprehensive Income

For the three months ended March 31, 2024 and 2023, UNAUDITED

		Three months ended March 31	
USD Thousands	Note	2024	2023
<b>Net result</b>		<b>33,719</b>	39,563
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss:			
Reclassification of hedging (gains)/losses to profit or loss	2	(9,206)	(8,584)
(Loss)/Gain on cash flow hedges		(45,419)	4,659
Income tax relating to these items		13,003	986
Currency translation adjustments		(22,372)	1,177
<b>Total comprehensive income/(loss)</b>		<b>(30,275)</b>	37,801
Total comprehensive income attributable to:			
Shareholders of the Parent Company		(30,277)	37,792
Non-controlling interest		2	9
		<b>(30,275)</b>	37,801

See accompanying notes to the interim condensed consolidated financial statements

# Interim Condensed Consolidated Balance Sheet

As at March 31, 2024 and December 31, 2023, UNAUDITED

USD Thousands	Note	March 31, 2024	December 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Exploration and evaluation assets	7	162	–
Property, Plant and Equipment	8	1,365,777	1,303,860
Right-of-use assets		2,664	2,814
Deferred tax assets	6	834	1,827
Derivative instruments	18	1,840	7,049
Other assets	9	55,212	56,838
<b>Total non-current assets</b>		<b>1,426,489</b>	<b>1,372,388</b>
<b>Current assets</b>			
Inventories	10	25,424	21,808
Trade and other receivables	11	104,309	113,497
Derivative instruments	18	1,719	35,504
Current tax receivables		5,162	2,714
Cash and cash equivalents	12	397,390	517,074
<b>Total current assets</b>		<b>534,004</b>	<b>690,597</b>
<b>TOTAL ASSETS</b>		<b>1,960,493</b>	<b>2,062,985</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities	15	4,444	5,442
Bonds	15	436,242	435,041
Lease liabilities		2,291	2,087
Provisions	16	250,095	250,657
Deferred tax liabilities	6	78,258	86,348
Derivative instruments	18	1,072	263
<b>Total non-current liabilities</b>		<b>772,402</b>	<b>779,838</b>
<b>Current liabilities</b>			
Trade and other payables	17	152,200	188,871
Financial liabilities	18	3,518	3,589
Derivative instruments	18	16,557	1,267
Current tax liabilities		680	255
Lease liabilities		464	809
Provisions	16	8,279	8,097
<b>Total current liabilities</b>		<b>181,698</b>	<b>202,888</b>
<b>EQUITY</b>			
Shareholders' equity		1,006,206	1,080,074
Non-controlling interest		187	185
<b>Net shareholders' equity</b>		<b>1,006,393</b>	<b>1,080,259</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,960,493</b>	<b>2,062,985</b>

## Approved by the Board of Directors

(Signed) C. Ashley Heppenstall  
Director

(Signed) William Lundin  
Director

See accompanying notes to the interim condensed consolidated financial statements

## Interim Condensed Consolidated Statement of Cash Flow

For the three months ended March 31, 2024 and 2023, UNAUDITED

		Three months ended March 31	
USD Thousands	Note	2024	2023
<b>Cash flow from operating activities</b>			
Net result		33,719	39,563
Adjustments for non-cash related items:			
Depletion, depreciation and amortization	7,8	35,710	9,380
Income tax	6	7,746	15,611
Amortization of capitalized financing fees	5	425	279
Foreign currency exchange loss/(gain)	5	2,061	856
Interest expense	5	8,818	5,349
Interest income	4	(5,617)	(4,924)
Unwinding of asset retirement obligation discount	5	3,618	3,068
Share-based costs		1,934	2,587
Other		271	342
<b>Cash flow generated from operations (before working capital adjustments and income taxes)</b>		<b>88,685</b>	<b>72,111</b>
Changes in working capital		(48,960)	(14,593)
Decommissioning costs paid	16	(122)	(1,211)
Other payments	16	(504)	(290)
Income taxes paid		(3,465)	(3,584)
Interest received		5,011	4,965
Interest paid		(16,366)	(10,947)
<b>Net cash flow from operating activities</b>		<b>24,279</b>	<b>46,451</b>
<b>Cash flow used in investing activities</b>			
Investment in oil and gas properties	7	(125,256)	(48,238)
Acquisitions net of cash acquired		–	(59,180)
Investment in other fixed assets	8	(55)	(172)
<b>Net cash (outflow) from investing activities</b>		<b>(125,311)</b>	<b>(107,590)</b>
<b>Cash flow from financing activities</b>			
Repayments	15	(1,069)	(856)
Paid financing fees		–	(507)
Repurchase of own shares ("NCIB")	13	(17,308)	(45,830)
Other payments		(223)	(186)
<b>Net cash (outflow) from financing activities</b>		<b>(18,600)</b>	<b>(47,379)</b>
<b>Change in cash and cash equivalents</b>		<b>(119,632)</b>	<b>(108,518)</b>
Cash and cash equivalents at the beginning of the period		517,074	487,240
Currency exchange difference in cash and cash equivalents		(52)	(256)
<b>Cash and cash equivalents at the end of the period</b>		<b>397,390</b>	<b>378,466</b>

See accompanying notes to the interim condensed consolidated financial statements

## Interim Condensed Consolidated Statement of Changes in Equity

For the three months ended March 31, 2024 and 2023, UNAUDITED

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	230,005	808,846	(10,745)	18,838	31,344	1,786	1,080,074	185	1,080,259
Net result	–	33,712	–	–	–	–	33,712	7	33,719
Cash flow hedge	–	–	–	–	(41,622)	–	(41,622)	–	(41,622)
Currency translation difference	–	–	(19,868)	(2,031)	(468)	–	(22,367)	(5)	(22,372)
Total comprehensive income	–	33,712	(19,868)	(2,031)	(42,090)	–	(30,277)	2	(30,275)
Repurchase of own shares (NCIB) <sup>1</sup>	(17,654)	–	–	–	–	–	(17,654)	–	(17,654)
Share based costs	–	–	–	1,934	–	–	1,934	–	1,934
Share based payments <sup>2</sup>	(21,740)	–	–	(6,131)	–	–	(27,871)	–	(27,871)
Balance at March 31, 2024	190,611	842,558	(30,613)	12,610	(10,746)	1,786	1,006,206	187	1,006,393

<sup>1</sup> See Note 13

<sup>2</sup> 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 January 31, 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 share premium.

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, 2023	338,719	635,895	(31,292)	11,349	7,958	2,511	965,140	191	965,331
Net result	–	39,557	–	–	–	–	39,557	6	39,563
Acquisitions	–	–	–	–	881	–	881	–	881
Cash flow hedge	–	–	–	–	(3,820)	–	(3,820)	–	(3,820)
Currency translation difference	–	–	1,321	(153)	6	–	1,174	3	1,177
Total comprehensive income	–	39,557	1,321	(153)	(2,933)	–	37,792	9	37,801
Repurchase of own shares (NCIB) <sup>1</sup>	(45,830)	–	–	–	–	–	(45,830)	–	(45,830)
Share based costs	–	–	–	2,587	–	–	2,587	–	2,587
Share based payments <sup>2</sup>	(12,931)	–	–	(5,640)	–	–	(18,571)	–	(18,571)
Balance at March 31, 2023	279,958	675,452	(29,971)	8,143	5,025	2,511	941,118	200	941,318

<sup>1</sup> See Note 13

<sup>2</sup> The third instalment of IPC RSP 2020 awards, the second instalment of IPC RSP 2021 awards, the first instalment of IPC RSP 2022 awards and the IPC PSP 2020 awards vested on January 31, 2023, at a price of CAD 14.26 per award. The difference between the value at vesting date and at grant (respectively CAD 4.35 per award, CAD 4.07 per award, CAD 9.09 per award and CAD 3.65 per award) was offset against share premium.

See accompanying notes to the interim condensed consolidated financial statements

# Notes to the Interim Condensed Consolidated Financial Statements

## For the three months ended March 31, 2024 and 2023, UNAUDITED

### 1. CORPORATE INFORMATION

#### 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 (“TSX”) 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 unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The unaudited interim consolidated financial statements should be read in conjunction with IPC’s annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS as issued by the IASB.

These unaudited interim consolidated financial statements are presented in United States Dollars (USD), which is the Group’s presentation and functional currency. The unaudited interim 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. Certain comparative figures have been reclassified to conform with the financial statements presentation in the current year.

The unaudited interim condensed consolidated financial statements have been approved by the Board of Directors of IPC and authorized for issuance on May 7, 2024.

The unaudited interim condensed consolidated financial statements have been prepared following the same accounting policies and methods of application as those in the Group’s audited annual consolidated financial statements for the year ended December 31, 2023.

#### C. Change in presentation

The following items within the interim condensed consolidated balance sheet were reclassified to conform to the current year’s presentation:

- Oil and gas properties and other tangible fixed assets, formerly presented separately as “Oil and gas properties” and “Other tangible fixed assets”, are now presented together on the interim condensed consolidated balance sheet as “Property, Plant and Equipment”. Refer to Note 8.

#### D. Going concern

The Group’s interim condensed consolidated financial statements for the three months period ended March 31, 2024, 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 three months ended March 31, 2024, the Group applied the amended accounting standards, interpretations and annual improvement points that are effective as of January 1, 2024.



## Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023, UNAUDITED

### 2. 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 7 and 8.

USD Thousands	Three months ended March 31, 2024				Total
	Canada	Malaysia	France	Other	
Crude oil	169,616	18,553	16,717	–	204,886
NGLs	244	–	–	–	244
Gas	14,417	–	–	–	14,417
<b>Net sales of oil and gas</b>	<b>184,277</b>	<b>18,553</b>	<b>16,717</b>	–	<b>219,547</b>
Change in under/over lift position	–	–	2,916	–	2,916
Royalties	(24,483)	–	(1,139)	–	(25,622)
Hedging settlement	9,206	–	–	–	9,206
Other operating revenue	–	–	217	155	372
<b>Revenue</b>	<b>169,000</b>	<b>18,553</b>	<b>18,711</b>	<b>155</b>	<b>206,419</b>
Operating costs	(59,889)	(7,016)	(8,911)	–	(75,816)
Cost of blending	(45,206)	–	–	–	(45,206)
Change in inventory position	139	5,039	99	–	5,277
Depletion and decommissioning costs	(22,904)	(7,030)	(3,219)	–	(33,153)
Depreciation of other tangible fixed assets	–	(2,262)	–	–	(2,262)
Exploration and business development costs	–	–	–	(75)	(75)
<b>Gross profit</b>	<b>41,140</b>	<b>7,284</b>	<b>6,680</b>	<b>80</b>	<b>55,184</b>

USD Thousands	Three months ended March 31, 2023				Total
	Canada	Malaysia	France	Other	
Crude oil	147,731	17,671	15,131	–	180,533
NGLs	190	–	–	–	190
Gas	20,483	–	–	–	20,483
<b>Net sales of oil and gas</b>	<b>168,404</b>	<b>17,671</b>	<b>15,131</b>	–	<b>201,206</b>
Change in under/over lift position	–	–	2,670	–	2,670
Royalties	(18,665)	–	(1,474)	–	(20,139)
Hedging settlement	8,584	–	–	–	8,584
Other operating revenue	6	–	189	–	195
<b>Revenue</b>	<b>158,329</b>	<b>17,671</b>	<b>16,516</b>	–	<b>192,516</b>
Operating costs	(59,531)	(8,176)	(7,738)	–	(75,445)
Cost of blending	(47,817)	–	–	–	(47,817)
Change in inventory position	(422)	5,872	285	–	5,735
Depletion and decommissioning costs <sup>1</sup>	2,523	(5,829)	(3,133)	–	(6,439)
Depreciation of other tangible fixed assets	–	(2,558)	–	–	(2,558)
Exploration and business development costs	(831)	–	–	(778)	(1,609)
<b>Gross profit/(loss)</b>	<b>52,251</b>	<b>6,980</b>	<b>5,930</b>	<b>(778)</b>	<b>64,383</b>

<sup>1</sup> In Canada, includes an adjustment for accelerated decommissioning activities funded by a non cash site rehabilitation program.

## Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023, UNAUDITED

### 3. PRODUCTION COSTS

USD Thousands	Three months ended March 31	
	2024	2023
Cost of operations	65,013	64,774
Tariff and transportation expenses	9,543	9,499
Direct production taxes	1,260	1,172
<b>Operating costs</b>	<b>75,816</b>	<b>75,445</b>
Cost of blending <sup>1</sup>	45,206	47,817
Change in inventory position	(5,277)	(5,735)
<b>Total production costs</b>	<b>115,745</b>	<b>117,527</b>

<sup>1</sup> 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.

### 4. FINANCE INCOME

USD Thousands	Three months ended March 31	
	2024	2023
Interest income	5,617	4,924
<b>Total finance income</b>	<b>5,617</b>	<b>4,924</b>

### 5. FINANCE COSTS

USD Thousands	Three months ended March 31	
	2024	2023
Foreign exchange loss, net	2,061	856
Interest expense	8,818	5,349
Unwinding of asset retirement obligation discount	3,618	3,068
Amortization of financing fees	425	279
Amortization of loan fees	85	164
Loan commitment fees	222	88
Other financial costs	158	135
<b>Total finance costs</b>	<b>15,387</b>	<b>9,939</b>

## Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023, UNAUDITED

### 6. INCOME TAX

USD Thousands	Three months ended March 31	
	2024	2023
Current tax	(1,373)	(3,991)
Deferred tax	(6,373)	(11,620)
<b>Total tax expense</b>	<b>(7,746)</b>	<b>(15,611)</b>

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation is enacted or expected to be enacted in all relevant Group entities in 2024, and with effect from January 1, 2024. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. All relevant entities within the Group have an effective tax rate that exceeds 15% and as such the impact is insignificant.

#### Specification of deferred tax assets and tax liabilities<sup>1</sup>

USD Thousands	March 31, 2024	December 31, 2023
Unused tax loss carry forward	31,999	34,446
Derivative hedges	3,237	–
Other	4,812	5,959
<b>Deferred tax assets</b>	<b>40,048</b>	<b>40,405</b>
Accelerated allowances	117,472	115,399
Derivative hedges	–	9,527
<b>Deferred tax liabilities</b>	<b>117,472</b>	<b>124,926</b>
<b>Deferred taxes, net</b>	<b>(77,424)</b>	<b>(84,521)</b>

<sup>1</sup> 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.

## Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023, UNAUDITED

### 7. EXPLORATION AND EVALUATION ASSETS

USD Thousands	Canada	Malaysia	France	Total
<b>Cost</b>				
January 1, 2024	–	–	–	–
Additions	–	162	–	162
<b>Net book value March 31, 2024</b>	<b>–</b>	<b>162</b>	<b>–</b>	<b>162</b>

USD Thousands	Canada	Malaysia	France	Total
<b>Cost</b>				
January 1, 2023	–	–	4,764	4,764
Additions	–	–	39	39
Write-off	–	–	(39)	(39)
Reclassification	–	–	(4,937)	(4,937)
Currency translation adjustments	–	–	173	173
<b>Net book value December 31, 2023</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

### 8. PROPERTY, PLANT AND EQUIPMENT

USD Thousands	2024	2023
Oil and gas properties	1,342,660	1,278,422
Other tangible fixed assets	23,117	25,438
<b>Property, Plant and Equipment</b>	<b>1,365,777</b>	<b>1,303,860</b>

#### Oil and gas properties

USD Thousands	Canada	Malaysia	France	Total
<b>Cost</b>				
January 1, 2024	1,465,010	591,123	436,693	2,492,826
Additions	110,104	14,200	790	125,094
Change in estimates	731	–	–	731
Currency translation adjustments	(35,333)	–	(9,361)	(44,694)
<b>March 31, 2024</b>	<b>1,540,512</b>	<b>605,323</b>	<b>428,122</b>	<b>2,573,957</b>
<b>Accumulated depletion</b>				
January 1, 2024	(398,288)	(502,834)	(313,282)	(1,214,404)
Depletion charge for the period	(22,904)	(7,030)	(3,219)	(33,153)
Currency translation adjustments	9,559	–	6,701	16,260
<b>March 31, 2024</b>	<b>(411,633)</b>	<b>(509,864)</b>	<b>(309,800)</b>	<b>(1,231,297)</b>
<b>Net book value March 31, 2024</b>	<b>1,128,879</b>	<b>95,459</b>	<b>118,322</b>	<b>1,342,660</b>

## Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023, UNAUDITED

USD Thousands	Canada	Malaysia	France	Total
<b>Cost</b>				
January 1, 2023	1,089,789	566,606	399,237	2,055,632
Acquisitions	72,242	–	–	72,242
Additions	278,613	17,873	16,204	312,690
Disposals <sup>1</sup>	(7,854)	–	–	(7,854)
Change in estimates	24,454	6,644	1,738	32,836
Reclassification	(22,857)	–	4,937	(17,920)
Currency translation adjustments	30,623	–	14,577	45,200
<b>December 31, 2023</b>	<b>1,465,010</b>	<b>591,123</b>	<b>436,693</b>	<b>2,492,826</b>
<b>Accumulated depletion</b>				
January 1, 2023	(323,273)	(485,034)	(288,714)	(1,097,021)
Depletion charge for the period	(94,192)	(17,800)	(14,018)	(126,010)
Disposals <sup>1</sup>	4,474	–	–	4,474
Other <sup>2</sup>	22,857	–	–	22,857
Currency translation adjustments	(8,154)	–	(10,550)	(18,704)
<b>December 31, 2023</b>	<b>(398,288)</b>	<b>(502,834)</b>	<b>(313,282)</b>	<b>(1,214,404)</b>
<b>Net book value December 31, 2023</b>	<b>1,066,722</b>	<b>88,289</b>	<b>123,411</b>	<b>1,278,422</b>

<sup>1</sup> In Canada, includes the disposal of non-core properties in the John Lake area.

<sup>2</sup> In Canada, includes an adjustment in the first quarter of 2023 for accelerated decommissioning activities funded by a non-cash site rehabilitation program.

### Other tangible fixed assets

USD Thousands	FPSO	Other	Total
<b>Cost</b>			
January 1, 2024	204,853	10,048	214,901
Additions	–	55	55
Currency translation adjustments	–	(192)	(192)
<b>March 31, 2024</b>	<b>204,853</b>	<b>9,911</b>	<b>214,764</b>
<b>Accumulated depreciation</b>			
January 1, 2024	(181,123)	(8,340)	(189,463)
Depreciation charge for the period	(2,262)	(78)	(2,340)
Currency translation adjustments	–	156	156
<b>March 31, 2024</b>	<b>(183,385)</b>	<b>(8,262)</b>	<b>(191,647)</b>
<b>Net book value March 31, 2024</b>	<b>21,468</b>	<b>1,649</b>	<b>23,117</b>

## Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023, UNAUDITED

USD Thousands	FPSO	Other	Total
<b>Cost</b>			
January 1, 2023	204,853	9,779	214,632
Additions	–	510	510
Disposals	–	(487)	(487)
Currency translation adjustments	–	246	246
<b>December 31, 2023</b>	<b>204,853</b>	<b>10,048</b>	<b>214,901</b>
<b>Accumulated depreciation</b>			
January 1, 2023	(173,311)	(7,947)	(181,258)
Depreciation charge for the period	(7,812)	(684)	(8,496)
Disposals	–	487	487
Currency translation adjustments	–	(196)	(196)
<b>December 31, 2023</b>	<b>(181,123)</b>	<b>(8,340)</b>	<b>(189,463)</b>
<b>Net book value December 31, 2023</b>	<b>23,730</b>	<b>1,708</b>	<b>25,438</b>

The FPSO located on the Bertam field, Malaysia, is being depreciated on a unit of production basis using the Bertam field 2P reserves to August 2025, being the original Bertam field PSC expiry date, before the PSC extension to 2035. 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, administration and depreciation expenses in the Statement of Operations.

### 9. OTHER NON-CURRENT ASSETS

USD Thousands	March 31, 2024	December 31, 2023
Financial assets	40,359	41,486
Intangible assets	14,853	15,352
	<b>55,212</b>	<b>56,838</b>

Financial assets mainly represent cash payments made to an asset retirement obligation fund for the Bertam field, Malaysia for an amount of USD 27.9 million (2023: USD 28.7 million). Financial assets also include secured amounts of USD 7.7 million towards the future asset retirement obligation for the Bertam field and cash-collateralized guarantees placed in 2023 in respect of work commitments in Malaysia amounting to USD 4.5 million.

Intangible assets mainly represent carbon offsets purchased in Canada.

### 10. INVENTORIES

USD Thousands	March 31, 2024	December 31, 2023
Hydrocarbon stocks	18,318	13,530
Well supplies and operational spares	7,106	8,278
	<b>25,424</b>	<b>21,808</b>

# Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023, UNAUDITED

## 11. TRADE AND OTHER RECEIVABLES

USD Thousands	March 31, 2024	December 31, 2023
Trade receivables	85,036	97,264
Underlift	3,911	1,029
Joint operations debtors	995	910
Prepaid expenses and accrued income	11,646	10,986
Other	2,721	3,308
	<b>104,309</b>	<b>113,497</b>

## 12. CASH AND CASH EQUIVALENTS

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

## 13. SHARE CAPITAL

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

	Number of shares
<b>Balance at January 1, 2023</b>	136,827,999
Cancellation of repurchased common shares (NCIB)	(9,835,933)
<b>Balance at December 31, 2023</b>	126,992,066
Cancellation of repurchased common shares (NCIB)	(1,553,906)
<b>Balance at March 31, 2024</b>	<b>125,438,160</b>

The common shares of IPC are listed to trade on both the Toronto Stock Exchange and the Nasdaq Stockholm Exchange.

As at January 1, 2023, IPC had a total of 136,827,999 common shares issued and outstanding, with no common shares held in treasury.

During 2023, under the normal course issuer bid/share repurchase program announced in December 2022 and renewed in December 2023 (NCIB), IPC purchased and cancelled an aggregate of 9,835,933 common shares.

As at December 31, 2023, IPC had a total of 126,992,066 common shares issued and outstanding, with no common shares held in treasury.

During Q1 2024, IPC purchased and cancelled a total of 1,553,906 common shares under the NCIB. The average price of common shares purchased during Q1 2024 was SEK 115/ CAD 15 per share.

As at March 31, 2024, IPC had a total of 125,438,160 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, do not carry the right to vote on matters to be decided by the holders of IPC's common shares and do not impact the earnings per share calculations.

## Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023, UNAUDITED

### 14. 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 periods presented.

	Three months ended March 31	
	2024	2023
Net result attributable to shareholders of the Parent Company, USD	33,712,061	39,556,554
Weighted average number of shares for the period	126,974,800	136,774,538
<b>Earnings per share, USD</b>	<b>0.27</b>	0.29
Weighted average diluted number of shares for the period	128,276,966	138,932,433
<b>Earnings per share fully diluted, USD</b>	<b>0.26</b>	0.28

### 15. FINANCIAL LIABILITIES

USD Thousands	March 31, 2024	December 31, 2023
Bank loans	7,962	9,031
Bonds	441,063	440,288
Capitalized financing fees	(4,821)	(5,247)
	<b>444,204</b>	<b>444,072</b>

As at January 2023, IPC had USD 300 million of bonds outstanding, issued in February 2022 and maturing in February 2027 with a fixed coupon rate of 7.25% per annum, payable in semi-annual instalments in August and February. The Group also had a revolving credit facility of CAD 75 million (the "Canadian RCF") in connection with its oil and gas assets in Canada.

In Q3 2023, IPC completed a tap issue of USD 150 million under IPC's existing 7.25% bond framework issued at 7% discount to par value with proceeds amounting to USD 139.5 million before transaction costs. For accounting purposes, the discounted amount was recognised in the balance sheet and the discount will be unwound over the period to maturity of the bond and charged to the interest expense line of the Statement of Operations using the effective interest rate methodology. As at March 31, 2024, IPC had a nominal USD 450 million of bonds outstanding with maturity in February 2027. The bond repayment obligations as at March 31, 2024, are classified as non-current as there are no mandatory repayments within the next twelve months.

During 2023, the Group increased the Canadian RCF from CAD 75 to CAD 180 million and extended the maturity to May 2025. No cash amounts were drawn under the Canadian RCF as at March 31, 2024.

As at March 31, 2024, IPC had an unsecured Euro credit facility in France (the "France Facility"), with maturity in May 2026. IPC makes quarterly repayments of the French Facility and the amount remaining outstanding under the France Facility as at March 31, 2024 was USD 8 million (EUR 7 million). An amount of USD 3.5 million (EUR 3.2 million) drawn under the France Facility as at March 31, 2024 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 March 31, 2024.

Total net debt as at March 31, 2024 amounted to USD 61 million. Cash and cash equivalents held amounted to USD 397 million as at March 31, 2024.



## Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023, UNAUDITED

### 16. PROVISIONS

USD Thousands	Asset retirement obligation	Farm-in obligation	Pension obligation	Other	Total
<b>January 1, 2024</b>	253,949	2,176	551	2,078	<b>258,754</b>
Additions	–	–	–	114	114
Unwinding of asset retirement obligation discount	3,618	–	–	–	3,618
Payments	(122)	–	–	(504)	(626)
Change in estimates	731	–	–	–	731
Currency translation adjustments	(4,137)	(63)	–	(17)	(4,217)
<b>March 31, 2024</b>	<b>254,039</b>	<b>2,113</b>	<b>551</b>	<b>1,671</b>	<b>258,374</b>
Non-current	246,817	1,056	551	1,671	250,095
Current	7,222	1,057	–	–	8,279
<b>Total</b>	<b>254,039</b>	<b>2,113</b>	<b>551</b>	<b>1,671</b>	<b>258,374</b>

USD Thousands	Asset retirement obligation	Farm-in obligation	Pension obligation	Other	Total
<b>January 1, 2023</b>	206,249	3,404	306	1,478	211,437
Acquisitions	29,885	–	–	–	29,885
Additions	–	–	446	938	1,384
Unwinding of asset retirement obligation discount	13,408	–	–	–	13,408
Disposals <sup>1</sup>	(2,483)	–	–	–	(2,483)
Changes in estimates	9,973	–	679	–	10,652
Payments	(8,118)	(1,081)	(925)	(364)	(10,488)
Other <sup>2</sup>	(1,272)	–	–	–	(1,272)
Reclassification <sup>3</sup>	1,781	–	–	–	1,781
Currency translation adjustments	4,526	(147)	45	26	4,450
<b>December 31, 2023</b>	<b>253,949</b>	<b>2,176</b>	<b>551</b>	<b>2,078</b>	<b>258,754</b>
Non-current	246,396	1,632	551	2,078	250,657
Current	7,553	544	–	–	8,097
<b>Total</b>	<b>253,949</b>	<b>2,176</b>	<b>551</b>	<b>2,078</b>	<b>258,754</b>

<sup>1</sup> In Canada, includes the disposal of non-core properties in the John Lake area.

<sup>2</sup> Includes accelerated decommissioning activities funded by a non cash site rehabilitation program.

<sup>3</sup> The reclassification of the asset retirement obligation related to the 2023 payment to the asset retirement obligation fund in respect of the Bertam asset, Malaysia (see Note 9).

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 rate of 6% (2023: 6%) per annum was used, based on a credit risk adjusted rate.

# Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023, UNAUDITED

## 17. TRADE AND OTHER PAYABLES

USD Thousands	March 31, 2024	December 31, 2023
Trade payables	20,194	42,761
Joint operations creditors	11,738	22,257
Accrued expenses	117,222	118,912
Other	3,046	4,941
	152,200	188,871

## 18. FINANCIAL ASSETS AND LIABILITIES

### Financial assets and liabilities by category

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

March 31, 2024 USD Thousands	Total	Financial assets at amortized cost	Fair value recognized in profit or loss (FVTPL)	Derivatives used for hedging
Other assets <sup>1</sup>	55,212	55,212	–	–
Derivative instruments	3,559	–	–	3,559
Joint operation debtors	995	995	–	–
Other current receivables <sup>2</sup>	96,830	92,919	3,911	–
Cash and cash equivalents	397,390	397,390	–	–
<b>Financial assets</b>	<b>553,986</b>	<b>546,516</b>	<b>3,911</b>	<b>3,559</b>

<sup>1</sup> See Note 9

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

March 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	440,686	440,686	–	–
Current financial liabilities	3,518	3,518	–	–
Derivative instruments	17,629	–	–	17,629
Joint operation creditors	11,738	11,738	–	–
Other current liabilities	141,142	141,142	–	–
<b>Financial liabilities</b>	<b>614,713</b>	<b>597,084</b>	<b>–</b>	<b>17,629</b>

December 31, 2023 USD Thousands	Total	Financial assets at amortized cost	Fair value recognized in profit or loss (FVTPL)	Derivatives used for hedging
Other assets <sup>1</sup>	41,486	41,486	–	–
Derivative instruments	42,553	–	–	42,553
Joint operation debtors	910	910	–	–
Other current receivables <sup>2</sup>	104,315	103,286	1,029	–
Cash and cash equivalents	517,074	517,074	–	–
<b>Financial assets</b>	<b>706,338</b>	<b>662,756</b>	<b>1,029</b>	<b>42,553</b>

## Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023, UNAUDITED

December 31, 2023 USD Thousands	Total	Financial liabilities at amortized cost	Fair value recognized in profit or loss (FVTPL)	Derivatives used for hedging
Non-current financial liabilities	440,483	440,483	–	–
Current financial liabilities	3,589	3,589	–	–
Derivative instruments	1,530	–	–	1,530
Joint operation creditors	22,257	22,257	–	–
Other current liabilities	166,869	166,869	–	–
<b>Financial liabilities</b>	<b>634,728</b>	<b>633,198</b>	–	<b>1,530</b>

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.

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

March 31, 2024 USD Thousands	Level 1	Level 2	Level 3
Other current receivables	3,911	–	–
Derivative instruments – current	–	1,719	–
Derivative instruments – non-current	–	1,840	–
<b>Financial assets</b>	<b>3,911</b>	<b>3,559</b>	–
Derivative instruments – current	–	16,557	–
Derivative instruments – non-current	–	–	1,072
<b>Financial liabilities</b>	–	<b>16,557</b>	<b>1,072</b>

December 31, 2023 USD Thousands	Level 1	Level 2	Level 3
Other current receivables	1,029	–	–
Derivative instruments – current	–	35,504	–
Derivative instruments – non-current	–	7,049	–
<b>Financial assets</b>	<b>1,029</b>	<b>42,553</b>	–
Derivative instruments – current	–	1,267	–
Derivative instruments – non-current	–	61	202
<b>Financial liabilities</b>	–	<b>1,328</b>	<b>202</b>

## Notes to the Interim Condensed Consolidated Financial Statements

### For the three months ended March 31, 2024 and 2023, UNAUDITED

The Group had oil price sale financial hedges outstanding as at March 31, 2024 which are summarized as follows:

Period	Volume (barrels per day)	Type	Average Pricing
April 1, 2024 - December 31, 2024	17,700	WTI/WCS Differential	USD -15.03/bbl
April 1, 2024 - December 31, 2024	8,250	WTI Sale Swap	USD 80.01/bbl

The Group had electricity financial hedges outstanding as at March 31, 2024 which are summarized as follows:

Period	Volume (MW)	Type	Average Pricing
October 1, 2025 - September 30, 2040	3	AESO	CAD 75.00/MWh

The Group had no gas price sale financial hedges outstanding as at March 31, 2024.

In 2023, IPC entered into foreign currency hedges in Canada to buy CAD 20 million per month at CAD 1.36 (sell USD) and in Malaysia to buy MYR 11.5 million per month at MYR 4.63 (sell USD) in respect of 2024, and to buy CAD 15 million per month at CAD 1.36 (sell USD) in respect of 2025, to partially meet forecast operational expenses in those countries. In respect of the forecast Blackrod development capital expenditure in Canada, IPC entered into further currency hedges to purchase a total CAD 556 million for the period January 2024 to December 2025 at an average rate of CAD 1.33 (sell USD).

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

## 19. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

In the normal course of business, the Group has committed to certain payments which are not recognised as liabilities. The following table summarizes the Group's commitments in Canada as at March 31, 2024:

CAD Millions	2024	2025	2026	2027	2028	Thereafter
Transportation service <sup>1</sup>	21.0	29.2	38.4	43.4	46.4	555.6
Power <sup>2</sup>	8.7	12.4	12.4	12.4	9.8	–
<b>Total commitments</b>	<b>29.7</b>	<b>41.6</b>	<b>50.8</b>	<b>55.8</b>	<b>56.2</b>	<b>555.6</b>

<sup>1</sup> IPC has firm transportation commitments on oil and natural gas pipelines that expire between 2037 and 2045.

<sup>2</sup> IPC has physical delivery power hedges to purchase 15MW at a weighted average price of CAD 74.92/MWh from April 1, 2024 to December 31, 2028 and an additional 5MW at a weighted average price of CAD 58.31/MWh from July 1, 2024 to December 31, 2027.

## 20. RELATED PARTIES

During the three months ended March 31, 2024, the Group paid USD 111 thousand to the Lundin Foundation in respect of sustainability advisory services provided to the Group and USD 193 thousand to Orrön Energy in respect of office space rental for the first quarter 2024.

During the three months ended March 31, 2024, Orrön Energy paid USD 168 thousand to the Group in respect of support services provided to Orrön Energy during the first quarter 2024.

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.


## 21. SUBSEQUENT EVENTS

In April 2024, the Group also entered into the following oil price sale financial hedges in Canada:

Period	Volume (barrels per day)	Type	Average Pricing
April 1, 2024 - December 31, 2024	4,000	WTI Sale Swap	USD - 80.76/bbl
April 1, 2024 - December 31, 2024	3,000	Brent Sale Swap	USD - 85.50/bbl

In April 2024, IPC entered into currency hedge swaps from May 2024 to December 2024 to buy EUR 2.5 million per month, sell USD at an average exchange rate of 1.0705.

No other events have occurred since March 31, 2024, that are expected to have a substantial effect on this report.



Corporate Office  
**International Petroleum Corp**  
Suite 2800  
1055 Dunsmuir Street  
Vancouver, British Columbia  
V7X 1L2, Canada

Tel: +1 604 689 7842  
E-mail: [info@international-petroleum.com](mailto:info@international-petroleum.com)  
Web: [international-petroleum.com](http://international-petroleum.com)