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International Petroleum Corporation

*Interim Condensed Consolidated
Financial Statements*

For the three and six months ended June 30, 2024



**International
Petroleum
Corp.**

Interim Condensed Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023, UNAUDITED

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Interim Condensed Consolidated Statement of Operations

For the three and six months ended June 30, 2024 and 2023, UNAUDITED

USD Thousands	Note	Three months ended June 30		Six months ended June 30	
		2024	2023	2024	2023
Revenue	2	219,040	205,564	425,459	398,080
Cost of sales					
Production costs	3	(111,381)	(116,597)	(227,126)	(234,124)
Depletion and decommissioning costs	8	(32,661)	(33,362)	(65,814)	(39,801)
Depreciation of other tangible fixed assets	8	(2,218)	(2,436)	(4,480)	(4,994)
Exploration and business development costs		(72)	(422)	(147)	(2,031)
Gross profit	2	72,708	52,747	127,892	117,130
General, administration and depreciation expenses		(3,980)	(4,158)	(7,929)	(8,352)
Profit before financial items		68,728	48,589	119,963	108,778
Finance income	4	4,917	4,335	10,534	9,259
Finance costs	5	(14,965)	(11,290)	(30,352)	(21,229)
Net financial items		(10,048)	(6,955)	(19,818)	(11,970)
Profit before tax		58,680	41,634	100,145	96,808
Income tax expense	6	(13,470)	(9,609)	(21,216)	(25,220)
Net result		45,210	32,025	78,929	71,588
Net result attributable to:					
Shareholders of the Parent Company		45,202	32,017	78,914	71,574
Non-controlling interest		8	8	15	14
		45,210	32,025	78,929	71,588
Earnings per share – USD ¹	14	0.36	0.24	0.63	0.53
Earnings per share fully diluted – USD ¹	14	0.36	0.24	0.62	0.52

¹ 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 and six months ended June 30, 2024 and 2023, UNAUDITED

USD Thousands	Note	Three months ended June 30		Six months ended June 30	
		2024	2023	2024	2023
Net result		45,210	32,025	78,929	71,588
Other comprehensive income					
Items that may be reclassified to profit or loss:					
Reclassification of hedging (gains)/losses to profit or loss	2	2,644	(1,531)	(6,562)	(10,115)
Gain/(loss) on cash flow hedges		10,653	3,954	(34,766)	8,613
Income tax relating to these items		(3,070)	(641)	9,933	345
Currency translation adjustments		(8,839)	15,734	(31,211)	16,911
Total comprehensive income		46,598	49,541	16,323	87,342
Total comprehensive income attributable to:					
Shareholders of the Parent Company		46,600	49,541	16,323	87,333
Non-controlling interest		(2)	–	–	9
		46,598	49,541	16,323	87,342

See accompanying notes to the interim condensed consolidated financial statements

Interim Condensed Consolidated Balance Sheet

As at June 30, 2024 and December 31, 2023, UNAUDITED

USD Thousands	Note	June 30, 2024	December 31, 2023
ASSETS			
Non-current assets			
Exploration and evaluation assets	7	630	–
Property, Plant and Equipment	8	1,402,390	1,303,860
Right-of-use assets		2,438	2,814
Deferred tax assets	6	1,041	1,827
Derivative instruments	18	502	7,049
Other assets	9	55,922	56,838
Total non-current assets		1,462,923	1,372,388
Current assets			
Inventories	10	20,460	21,808
Trade and other receivables	11	130,383	113,497
Derivative instruments	18	5,419	35,504
Current tax receivables		193	2,714
Cash and cash equivalents	12	368,797	517,074
Total current assets		525,252	690,597
TOTAL ASSETS		1,988,175	2,062,985
LIABILITIES			
Non-current liabilities			
Financial liabilities	15, 18	3,526	5,442
Bonds	15, 18	437,439	435,041
Lease liabilities		2,204	2,087
Provisions	16	252,088	250,657
Deferred tax liabilities	6	88,544	86,348
Derivative instruments	18	1,120	263
Total non-current liabilities		784,921	779,838
Current liabilities			
Trade and other payables	17	155,286	188,871
Financial liabilities	15, 18	3,491	3,589
Derivative instruments	18	5,854	1,267
Current tax liabilities		5,147	255
Lease liabilities		340	809
Provisions	16	6,917	8,097
Total current liabilities		177,035	202,888
EQUITY			
Shareholders' equity		1,026,075	1,080,074
Non-controlling interest		144	185
Net shareholders' equity		1,026,219	1,080,259
TOTAL EQUITY AND LIABILITIES		1,988,175	2,062,985

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 and six months ended June 30, 2024 and 2023, UNAUDITED

USD Thousands	Note	Three months ended June 30		Six months ended June 30	
		2024	2023	2024	2023
Cash flow from operating activities					
Net result		45,210	32,025	78,929	71,588
Adjustments for non-cash related items:					
Depletion, depreciation and amortization	8	35,171	36,199	70,881	45,579
Income tax	6	13,470	9,609	21,216	25,220
Amortization of capitalized financing fees	5	426	338	851	781
Foreign currency exchange loss/(gain)	5	1,556	1,491	3,617	2,347
Interest income	4	(4,917)	(4,335)	(10,534)	(9,259)
Interest expense	5	8,928	5,455	17,746	10,804
Unwinding of asset retirement obligation discount	5	3,641	3,474	7,259	6,542
Share-based costs		2,242	2,353	4,176	4,940
Other		204	237	475	415
Cash flow generated from operations (before working capital adjustments and income taxes)		105,931	86,846	194,616	158,957
Changes in working capital		(22,067)	7,949	(71,027)	(6,644)
Decommissioning costs paid	16	(2,241)	(3,160)	(2,363)	(4,371)
Other payments	16	–	(574)	(504)	(864)
Net income taxes refunded/(paid)		3,742	(22,490)	277	(26,074)
Interest received		3,268	2,800	8,279	7,765
Interest paid		(48)	(14)	(16,414)	(10,961)
Net cash flow from operating activities		88,585	71,357	112,864	117,808
Cash flow used in investing activities					
Investment in property, plant and equipment	7,8	(84,175)	(59,067)	(209,486)	(107,477)
Acquisitions net of cash acquired		–	(239)	–	(59,419)
Net cash (outflow) from investing activities		(84,175)	(59,306)	(209,486)	(166,896)
Cash flow from financing activities					
Repayments	15	(945)	(880)	(2,014)	(1,736)
Paid financing fees		–	–	–	(507)
Repurchase of own shares ("NCIB")	13	(28,430)	(14,325)	(45,738)	(60,155)
Other payments		(249)	(259)	(472)	(445)
Net cash (outflow) from financing activities		(29,624)	(15,464)	(48,224)	(62,843)
Change in cash and cash equivalents		(25,214)	(3,413)	(144,846)	(111,931)
Cash and cash equivalents at the beginning of the period		397,390	378,466	517,074	487,240
Currency exchange difference in cash and cash equivalents		(3,379)	(876)	(3,431)	(1,132)
Cash and cash equivalents at the end of the period		368,797	374,177	368,797	374,177

See accompanying notes to the interim condensed consolidated financial statements

Interim Condensed Consolidated Statement of Changes in Equity

For the three and six months ended June 30, 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	–	78,914	–	–	–	–	78,914	15	78,929
Cash flow hedge	–	–	–	–	(31,395)	–	(31,395)	–	(31,395)
Currency translation difference	–	–	(28,227)	(2,221)	(748)	–	(31,196)	(15)	(31,211)
Total comprehensive income	–	78,914	(28,227)	(2,221)	(32,143)	–	16,323	–	16,323
Repurchase of own shares (NCIB) ¹	(46,627)	–	–	–	–	–	(46,627)	–	(46,627)
Dividend distribution	–	–	–	–	–	–	–	(41)	(41)
Share based costs	–	–	–	4,176	–	–	4,176	–	4,176
Share based payments ²	(21,740)	–	–	(6,131)	–	–	(27,871)	–	(27,871)
Balance at June 30, 2024	161,638	887,760	(38,972)	14,662	(799)	1,786	1,026,075	144	1,026,219

¹ See Note 13

² The third instalment of IPC RSP 2021 awards, the second instalment of IPC RSP 2022 awards, the first instalment of IPC RSP 2023 awards and the IPC PSP 2021 awards vested on 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	–	71,574	–	–	–	–	71,574	14	71,588
Acquisitions	–	–	–	–	881	–	881	–	881
Cash flow hedge	–	–	–	–	(2,038)	–	(2,038)	–	(2,038)
Currency translation difference	–	–	16,771	17	128	–	16,916	(5)	16,911
Total comprehensive income	–	71,574	16,771	17	(1,029)	–	87,333	9	87,342
Dividend distribution	–	–	–	–	–	–	–	(31)	(31)
Repurchase of own shares (NCIB) ¹	(60,156)	–	–	–	–	–	(60,156)	–	(60,156)
Share based costs	–	–	–	17,393	–	–	17,393	–	17,393
Share based payments ²	(12,931)	–	–	(18,149)	–	–	(31,080)	–	(31,080)
Balance at June 30, 2023	265,632	707,469	(14,521)	10,610	6,929	2,511	978,630	169	978,799

¹ See Note 13

² 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 and six months ended June 30, 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 July 30, 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 six months period ended June 30, 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 six months ended June 30, 2024, the Group has applied the 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 and six months ended June 30, 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 June 30, 2024				Total
	Canada	Malaysia	France	Other	
Crude oil	191,018	39,341	17,253	–	247,612
NGLs	275	–	–	–	275
Gas	6,675	–	–	–	6,675
Net sales of oil and gas	197,968	39,341	17,253	–	254,562
Change in under/over lift position	–	–	2,215	–	2,215
Royalties	(34,289)	–	(1,161)	–	(35,450)
Hedging settlement	(2,644)	–	–	–	(2,644)
Other operating revenue	–	–	237	120	357
Revenue	161,035	39,341	18,544	120	219,040
Operating costs	(49,801)	(7,229)	(7,804)	–	(64,834)
Cost of blending	(41,675)	–	–	–	(41,675)
Change in inventory position	(96)	(4,829)	53	–	(4,872)
Depletion and decommissioning costs	(22,486)	(6,893)	(3,282)	–	(32,661)
Depreciation of other tangible fixed assets	–	(2,218)	–	–	(2,218)
Exploration and business development costs	–	–	–	(72)	(72)
Gross profit/(loss)	46,977	18,172	7,511	48	72,708

USD Thousands	Three months ended June 30, 2023				Total
	Canada	Malaysia	France	Other	
Crude oil	172,139	22,105	18,027	–	212,271
NGLs	278	–	–	–	278
Gas	15,376	–	–	–	15,376
Net sales of oil and gas	187,793	22,105	18,027	–	227,925
Change in under/over lift position	–	–	1,823	–	1,823
Royalties	(25,075)	–	(862)	–	(25,937)
Hedging settlement	1,531	–	–	–	1,531
Other operating revenue	1	–	221	–	222
Revenue	164,250	22,105	19,209	–	205,564
Operating costs	(65,149)	(7,271)	(7,867)	–	(80,287)
Cost of blending	(40,870)	–	–	–	(40,870)
Change in inventory position	376	4,747	(563)	–	4,560
Depletion and decommissioning costs	(24,215)	(5,551)	(3,596)	–	(33,362)
Depreciation of other tangible fixed assets	–	(2,436)	–	–	(2,436)
Exploration and business development costs	(3)	–	(9)	(410)	(422)
Gross profit/(loss)	34,389	11,594	7,174	(410)	52,747

Notes to the Interim Condensed Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023, UNAUDITED

Six months ended June 30, 2024

USD Thousands	Canada	Malaysia	France	Other	Total
Crude oil	360,634	57,894	33,970	–	452,498
NGLs	519	–	–	–	519
Gas	21,092	–	–	–	21,092
Net sales of oil and gas	382,245	57,894	33,970	–	474,109
Change in under/over lift position	–	–	5,131	–	5,131
Royalties	(58,772)	–	(2,300)	–	(61,072)
Hedging settlement	6,562	–	–	–	6,562
Other operating revenue	–	–	454	275	729
Revenue	330,035	57,894	37,255	275	425,459
Operating costs	(109,690)	(14,245)	(16,715)	–	(140,650)
Cost of blending	(86,881)	–	–	–	(86,881)
Change in inventory position	43	210	152	–	405
Depletion and decommissioning costs	(45,390)	(13,923)	(6,501)	–	(65,814)
Depreciation of other tangible fixed assets	–	(4,480)	–	–	(4,480)
Exploration and business development costs	–	–	–	(147)	(147)
Gross profit/(loss)	88,117	25,456	14,191	128	127,892

Six months ended June 30, 2023

USD Thousands	Canada	Malaysia	France	Other	Total
Crude oil	319,870	39,776	33,158	–	392,804
NGLs	468	–	–	–	468
Gas	35,859	–	–	–	35,859
Net sales of oil and gas	356,197	39,776	33,158	–	429,131
Change in under/over lift position	–	–	4,493	–	4,493
Royalties	(43,740)	–	(2,336)	–	(46,076)
Hedging settlement	10,115	–	–	–	10,115
Other operating revenue	7	–	410	–	417
Revenue	322,579	39,776	35,725	–	398,080
Operating costs	(124,680)	(15,447)	(15,605)	–	(155,732)
Cost of blending	(88,687)	–	–	–	(88,687)
Change in inventory position	(46)	10,619	(278)	–	10,295
Depletion and decommissioning costs ¹	(21,692)	(11,380)	(6,729)	–	(39,801)
Depreciation of other tangible fixed assets	–	(4,994)	–	–	(4,994)
Exploration and business development costs	(834)	–	(9)	(1,188)	(2,031)
Gross profit/(loss)	86,640	18,574	13,104	(1,188)	117,130

¹ In Canada, includes an adjustment in the first quarter of 2023 for accelerated decommissioning activities funded by a non-cash site rehabilitation program.

Notes to the Interim Condensed Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023, UNAUDITED

3. PRODUCTION COSTS

USD Thousands	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Cost of operations	54,183	69,378	119,196	134,152
Tariff and transportation expenses	9,387	9,559	18,930	19,058
Direct production taxes	1,264	1,350	2,524	2,522
Operating costs	64,834	80,287	140,650	155,732
Cost of blending ¹	41,675	40,870	86,881	88,687
Change in inventory position	4,872	(4,560)	(405)	(10,295)
Total production costs	111,381	116,597	227,126	234,124

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

4. FINANCE INCOME

USD Thousands	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Interest income	4,917	4,335	10,534	9,259
Total finance income	4,917	4,335	10,534	9,259

5. FINANCE COSTS

USD Thousands	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Foreign exchange loss, net	1,556	1,491	3,617	2,347
Interest expense	8,928	5,455	17,746	10,804
Unwinding of asset retirement obligation discount	3,641	3,474	7,259	6,542
Amortization of financing fees	74	59	159	223
Amortization of loan fees	426	279	851	558
Loan commitment fees	223	186	445	274
Other financial costs	117	346	275	481
Total finance costs	14,965	11,290	30,352	21,229

6. INCOME TAX

USD Thousands	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Current tax	(5,718)	(4,595)	(7,091)	(8,586)
Deferred tax	(7,752)	(5,014)	(14,125)	(16,634)
Total tax expense	(13,470)	(9,609)	(21,216)	(25,220)

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.

Notes to the Interim Condensed Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023, UNAUDITED

Specification of deferred tax assets and tax liabilities¹

USD Thousands	June 30, 2024	December 31, 2023
Unused tax loss carry forward	23,360	34,446
Derivative hedges	191	–
Other	5,168	5,959
Deferred tax assets	28,719	40,405
Accelerated allowances	116,209	115,399
Derivative hedges	13	9,527
Deferred tax liabilities	116,222	124,926
Deferred taxes, net	(87,503)	(84,521)

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

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

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

7. EXPLORATION AND EVALUATION ASSETS

USD Thousands	Canada	Malaysia	France	Total
Cost				
January 1, 2024	–	–	–	–
Additions	147	483	–	630
Net book value June 30, 2024	147	483	–	630

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

8. PROPERTY, PLANT AND EQUIPMENT

USD Thousands	2024	2023
Oil and gas properties	1,381,513	1,278,422
Other tangible fixed assets	20,877	25,438
Property, Plant and Equipment	1,402,390	1,303,860

Notes to the Interim Condensed Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023, UNAUDITED

Oil and gas properties

USD Thousands	Canada	Malaysia	France	Total
Cost				
January 1, 2024	1,465,010	591,123	436,693	2,492,826
Additions	191,912	15,003	1,812	208,727
Change in estimates	582	–	–	582
Currency translation adjustments	(50,172)	–	(13,525)	(63,697)
June 30, 2024	1,607,332	606,126	424,980	2,638,438
Accumulated depletion				
January 1, 2024	(398,288)	(502,834)	(313,282)	(1,214,404)
Depletion charge for the period	(45,390)	(13,923)	(6,501)	(65,814)
Currency translation adjustments	13,575	–	9,718	23,293
June 30, 2024	(430,103)	(516,757)	(310,065)	(1,256,925)
Net book value June 30, 2024	1,177,229	89,369	114,915	1,381,513

USD Thousands	Canada	Malaysia	France	Total
Cost				
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 ¹	(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
December 31, 2023	1,465,010	591,123	436,693	2,492,826
Accumulated depletion				
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 ¹	4,474	–	–	4,474
Other ²	22,857	–	–	22,857
Currency translation adjustments	(8,154)	–	(10,550)	(18,704)
December 31, 2023	(398,288)	(502,834)	(313,282)	(1,214,404)
Net book value December 31, 2023	1,066,722	88,289	123,411	1,278,422

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

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

Notes to the Interim Condensed Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023, UNAUDITED

Other tangible fixed assets

USD Thousands	FPSO	Other	Total
Cost			
January 1, 2024	204,853	10,048	214,901
Additions	–	129	129
Currency translation adjustments	–	(274)	(274)
June 30, 2024	204,853	9,903	214,756
Accumulated depreciation			
January 1, 2024	(181,123)	(8,340)	(189,463)
Depreciation charge for the period	(4,480)	(156)	(4,636)
Currency translation adjustments	–	220	220
June 30, 2024	(185,603)	(8,276)	(193,879)
Net book value June 30, 2024	19,250	1,627	20,877

USD Thousands	FPSO	Other	Total
Cost			
January 1, 2023	204,853	9,779	214,632
Additions	–	510	510
Disposals	–	(487)	(487)
Currency translation adjustments	–	246	246
December 31, 2023	204,853	10,048	214,901
Accumulated depreciation			
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)
December 31, 2023	(181,123)	(8,340)	(189,463)
Net book value December 31, 2023	23,730	1,708	25,438

The Floating Production Storage and Offloading facility (“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.

Notes to the Interim Condensed Consolidated Financial Statements

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9. OTHER NON-CURRENT ASSETS

USD Thousands	June 30, 2024	December 31, 2023
Financial assets	40,895	41,332
Intangible assets	15,027	15,506
	55,922	56,838

Financial assets mainly represent cash payments made to an asset retirement obligation fund for the Bertam field, Malaysia for an amount of USD 29.0 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 4.0 million.

Intangible assets mainly represent carbon offsets purchased in Canada.

10. INVENTORIES

USD Thousands	June 30, 2024	December 31, 2023
Hydrocarbon stocks	13,373	13,530
Well supplies and operational spares	7,087	8,278
	20,460	21,808

11. TRADE AND OTHER RECEIVABLES

USD Thousands	June 30, 2024	December 31, 2023
Trade receivables	97,704	97,264
Underlift	6,077	1,029
Joint operations debtors	1,578	910
Prepaid expenses and accrued income	22,859	10,986
Other	2,165	3,308
	130,383	113,497

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
Balance at January 1, 2023	136,827,999
Cancellation of repurchased common shares (NCIB)	(9,835,933)
Balance at December 31, 2023	126,992,066
Cancellation of repurchased common shares (NCIB)	(3,720,181)
Balance at June 30, 2024	123,271,885

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.

Notes to the Interim Condensed Consolidated Financial Statements

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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 the first six months of 2024, IPC purchased and cancelled a total of 3,720,181 common shares under the NCIB. The average price of common shares purchased during the first six months of 2024 was SEK 126/ CAD 16 per share.

As at June 30, 2024, IPC had a total of 123,271,885 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.

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 June 30		Six months ended June 30	
	2024	2023	2024	2023
Net result attributable to shareholders of the Parent Company, USD	45,201,621	32,016,905	78,913,683	71,574,459
Weighted average number of shares for the period	125,414,090	132,052,470	126,216,022	134,396,105
Earnings per share, USD	0.36	0.24	0.63	0.53
Weighted average diluted number of shares for the period	127,026,090	134,600,024	127,828,022	136,943,660
Earnings per share fully diluted, USD	0.36	0.24	0.62	0.52

15. FINANCIAL LIABILITIES

USD Thousands	June 30, 2024	December 31, 2023
Current bank loans	3,491	3,589
Non current bank loans	3,526	5,442
Bonds	441,835	440,288
Capitalized financing fees	(4,396)	(5,247)
	444,456	444,072

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 June 30, 2024, IPC had a nominal USD 450 million of bonds outstanding with maturity in February 2027. The bond repayment obligations as at June 30, 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 MCAD 75 to MCAD 180 and extended the maturity to May 2025. During Q2 2024, the Group extended the maturity of the Canadian RCF to May 2026. As at June 30, 2024, operational letters of credit in an aggregate of MCAD 40.2 have been issued under the Canadian RCF, including letters of credit issued in June 2024 for a total amount of MCAD 35 to support the third party pipeline construction agreements for the Blackrod project during 2024 and 2025.

As at June 30, 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 June 30, 2024 was USD 7 million (EUR 6 million). An amount of USD 3.5 million (EUR 3.2 million) drawn under the France Facility as at June 30, 2024 is classified as current representing the repayment planned within the next twelve months.

Notes to the Interim Condensed Consolidated Financial Statements

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The Group is in compliance with the covenants of the bonds and its financing facilities as at June 30, 2024.

Total net debt as at June 30, 2024 amounted to USD 88 million. Cash and cash equivalents held amounted to USD 369 million as at June 30, 2024.

16. PROVISIONS

USD Thousands	Asset retirement obligation	Farm-in obligation	Pension obligation	Other	Total
January 1, 2024	253,949	2,176	551	2,078	258,754
Additions	–	–	–	195	195
Unwinding of asset retirement obligation discount	7,259	–	–	–	7,259
Payments	(2,363)	–	–	(504)	(2,867)
Change in estimates	582	–	–	–	582
Reclassification ¹	1,013	–	–	–	1,013
Currency translation adjustments	(5,856)	(55)	–	(20)	(5,931)
June 30, 2024	254,584	2,121	551	1,749	259,005
Non-current	248,726	1,062	551	1,749	252,088
Current	5,858	1,059	–	–	6,917
Total	254,584	2,121	551	1,749	259,005

¹ The reclassification of the asset retirement obligation related to the 2024 payment to the asset retirement obligation fund in respect of the Bertam asset, Malaysia (see Note 9).

USD Thousands	Asset retirement obligation	Farm-in obligation	Pension obligation	Other	Total
January 1, 2023	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 ¹	(2,483)	–	–	–	(2,483)
Changes in estimates	9,973	–	679	–	10,652
Payments	(8,118)	(1,081)	(925)	(364)	(10,488)
Other ²	(1,272)	–	–	–	(1,272)
Reclassification ³	1,781	–	–	–	1,781
Currency translation adjustments	4,526	(147)	45	26	4,450
December 31, 2023	253,949	2,176	551	2,078	258,754
Non-current	246,396	1,632	551	2,078	250,657
Current	7,553	544	–	–	8,097
Total	253,949	2,176	551	2,078	258,754

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

² Includes accelerated decommissioning activities funded by a non cash site rehabilitation program.

³ 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

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17. TRADE AND OTHER PAYABLES

USD Thousands	June 30, 2024	December 31, 2023
Trade payables	22,107	42,761
Joint operations creditors	9,456	22,257
Accrued expenses	119,925	118,912
Other	3,798	4,941
	155,286	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:

June 30, 2024 USD Thousands	Total	Financial assets at amortized cost	Fair value recognized in profit or loss (FVTPL)	Derivatives used for hedging
Other assets ¹	40,895	40,895	–	–
Derivative instruments	5,921	–	–	5,921
Joint operation debtors	1,578	1,578	–	–
Other current receivables ²	106,139	100,062	6,077	–
Cash and cash equivalents	368,797	368,797	–	–
Financial assets	523,330	511,332	6,077	5,921

¹ See Note 9

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

June 30, 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	440,965	440,965	–	–
Current financial liabilities	3,491	3,491	–	–
Derivative instruments	6,974	–	–	6,974
Joint operation creditors	9,456	9,456	–	–
Other current liabilities	150,977	150,977	–	–
Financial liabilities	611,863	604,889	–	6,974

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 ¹	41,332	41,332	–	–
Derivative instruments	42,553	–	–	42,553
Joint operation debtors	910	910	–	–
Other current receivables ²	104,315	103,286	1,029	–
Cash and cash equivalents	517,074	517,074	–	–
Financial assets	706,184	662,602	1,029	42,553

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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	–	–
Financial liabilities	634,728	633,198	–	1,530

¹ See Note 9

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

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:

June 30, 2024 USD Thousands	Level 1	Level 2	Level 3
Other current receivables	6,077	–	–
Derivative instruments – current	–	5,419	–
Derivative instruments – non-current	–	502	–
Financial assets	6,077	5,921	–
Derivative instruments – current	–	5,854	10
Derivative instruments – non-current	–	–	1,110
Financial liabilities	–	5,854	1,120

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	–
Financial assets	1,029	42,553	–
Derivative instruments – current	–	1,267	–
Derivative instruments – non-current	–	61	202
Financial liabilities	–	1,328	202

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The Group had oil price sale financial hedges outstanding as at June 30, 2024 which are summarized as follows:

Period	Volume (barrels per day)	Type	Average Pricing
July 1, 2024 - December 31, 2024	17,700	WTI/WCS Differential	USD -15.03/bbl
July 1, 2024 - December 31, 2024	12,250	WTI Sale Swap	USD 80.26/bbl
July 1, 2024 - December 31, 2024	3,000	Brent Sale Swap	USD 85.50/bbl

The Group had electricity financial hedges outstanding as at June 30, 2024 which are summarized as follows:

Period	Volume (MWh)	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 June 30, 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 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. In respect of the forecast Blackrod development capital expenditure in Canada, IPC entered into further currency hedges to purchase a total CAD 656 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 June 30, 2024:

CAD Millions	2024	2025	2026	2027	2028	Thereafter
Transportation service ¹	14.0	33.3	60.6	89.2	92.8	1,488.2
Power ²	6.2	12.4	12.4	12.4	9.8	–
Total commitments	20.2	45.7	73.0	101.6	102.6	1,488.2

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

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

20. RELATED PARTIES

During the six months ended June 30, 2024, the Group paid USD 222 thousand to the Lundin Foundation in respect of sustainability advisory services provided to the Group and USD 193 thousand to Orrön Energy AB in respect of office space rental.

During the six months ended June 30, 2024, Orrön Energy AB and ShaMaran Petroleum Corp. paid respectively USD 346 thousand and USD 95 thousand to the Group in respect of support services provided during the first six months of 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 July 2024, the Group entered into the following gas price sale financial hedges in Canada:

Period	Volume (Gigajoules (GJ) per day)	Type	Average Pricing
August 1, 2024 - December 31, 2024	15,000	AECO Swap	CAD 1.515/GJ

No other events have occurred since June 30, 2024, that are expected to have a substantial effect on this report.

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