Q4

International Petroleum Corporation

Audited Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

International
Petroleum
Corp.

Consolidated Financial Statements
For the years ended December 31, 2024 and 2023, AUDITED

Contents

REPORT OF MANAGEMENT

The accompanying consolidated financial statements of International Petroleum Corporation ("IPC" or the "Corporation" and, together with its subsidiaries, the "Group") and other information contained in the management's discussion and analysis are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") as outlined in Part 1 of the Handbook of the Chartered Professional Accountants of Canada, and include some amounts that are based on management's estimates and judgment.

The Board of Directors carries out its responsibility for the consolidated financial statements principally through its Audit Committee, which is comprised solely of independent directors. The Audit Committee reviews the Group's annual consolidated financial statements and recommends its approval to the Board of Directors. The Corporation's auditors have full access to the Audit Committee, with and without management being present. These consolidated financial statements have been audited by PricewaterhouseCoopers LLP, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the shareholders.

(Signed) William Lundin
Director, President and Chief Executive Officer

(Signed) Christophe Nerguararian
Chief Financial Officer

Vancouver, Canada
February 11, 2025

Independent auditor's report

To the Shareholders of International Petroleum Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of International Petroleum Corporation and its subsidiaries (together, the Corporation) as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Corporation's consolidated financial statements comprise:

- the consolidated statement of operations for the year ended December 31, 2024;
- the consolidated statement of comprehensive income/(loss) for the year then ended;
- the consolidated balance sheet as at December 31, 2024;
- the consolidated statement of cash flow for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, which include material accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
Suncor Energy Centre, 111 5th Avenue South West, Suite 3100, Calgary, Alberta, Canada T2P 5L3
T.: +1 403 509 7500, F.: +1 403 781 1825, Fax to mail: ca_calgary_main_fax@pwc.com

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
The impact of oil and gas reserves on oil and gas properties within net property, plant and equipment (PP&E) for the Canada and Malaysia segments *Refer to note 1 – Corporate information and material accounting policies, note 2 – Critical accounting estimates and judgments, and note 9 – Property, plant and equipment to the consolidated financial statements.* The Canada and Malaysia segments had \$1,316.6 million and \$69.4 million of oil and gas properties within PP&E, as at December 31, 2024, and depletion charges were \$88.6 million and \$27.5 million, respectively, for the year then ended. Oil and gas properties are depleted based on the year's production in relation to the estimated total proved and probable oil and gas reserves in accordance with the unit of production method. Significant assumptions developed by management used to determine the proved and probable oil and gas reserves include expected production volumes, future oil and gas prices, future development costs and future production costs. Independent qualified reserves auditors (management's experts) review these estimates. We considered this a key audit matter due to i) the judgments by management, including the use of management's experts, when estimating the proved and probable oil and gas reserves and ii) a high degree of auditor judgment, subjectivity and effort in performing procedures relating to the significant assumptions.	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the total proved and probable oil and gas reserves for certain properties in the Canada and Malaysia segments, which included the following: – The work of management's experts was used in performing the procedures to evaluate the reasonableness of the proved and probable oil and gas reserves used to determine the depletion charges. As a basis for using this work, the competence, capabilities, and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of data used by management's experts and an evaluation of their findings. – Evaluated the reasonableness of significant assumptions used, including expected production volumes, future development costs and future production costs by considering current and past performance of the Corporation and whether these assumptions were consistent with evidence obtained in other areas of the audit, as applicable. – Evaluated the reasonableness of future oil and gas prices by comparing them with third party industry forecasts.

- Recalculated depletion charges for the Canada and Malaysia segments.

Comparative information

The consolidated financial statements of the Corporation for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on February 6, 2024.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kory Wickenhauser.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
February 11, 2025

Consolidated Statement of Operations
For the years ended December 31, 2024 and 2023, AUDITED

USD Thousands	Note	2024	2023
Revenue	*3*	**797,783**	853,906
Cost of sales			
Production costs	*4*	(448,218)	(491,303)
Depletion and decommissioning costs	*3,9*	(128,392)	(101,922)
Depreciation of other tangible fixed assets	*3,9*	(8,933)	(7,812)
Exploration and business development costs	*3*	(2,069)	(2,355)
Gross profit	*3*	**210,171**	250,514
Other income / (expense)	*9*	1,137	19,018
General, administration and depreciation expenses		(16,055)	(18,455)
Profit before financial items		**195,253**	251,077
Finance income	*5*	17,721	21,774
Finance costs	*6*	(77,430)	(44,510)
Net financial items		**(59,709)**	(22,736)
Profit before tax		**135,544**	228,341
Income tax expense	*7*	(33,325)	(55,362)
Net result		**102,219**	172,979
Net result attributable to:			
Shareholders of the Parent Company		102,202	172,951
Non-controlling interest		17	28
		102,219	172,979
Earnings per share – USD[1]	*16*	**0.82**	1.31
Earnings per share fully diluted – USD[1]	*16*	**0.81**	1.28

[1] *Based on net result attributable to shareholders of the Parent Company*

See accompanying notes to the consolidated financial statements

Consolidated Statement of Comprehensive Income/(Loss)
For the years ended December 31, 2024 and 2023, AUDITED

USD Thousands	Note	2024	2023
Net result		**102,219**	172,979
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss:			
Gain/(loss) on cash flow hedges		(35,498)	48,786
Reclassification of hedging (gains)/losses to profit or loss	*3, 22*	(22,370)	(18,928)
Income tax relating to these items		13,753	(7,051)
Currency translation adjustments		(73,931)	20,994
Items that will not be reclassified to profit or loss:			
Re-measurements on defined pension plan	*20*	(3,491)	(679)
Total comprehensive income/(loss)		**(19,318)**	216,101
Total comprehensive income/(loss) attributable to:			
Shareholders of the Parent Company		(19,329)	216,076
Non-controlling interest		11	25
		(19,318)	216,101

See accompanying notes to the consolidated financial statements

Consolidated Balance Sheet
As at December 31, 2024 and 2023, AUDITED

USD Thousands	Note	December 31, 2024	December 31, 2023
ASSETS			
Non-current assets			
Exploration and evaluation assets	*8*	480	–
Property, Plant and Equipment	*9*	1,500,912	1,303,860
Right-of-use assets	*10*	3,103	2,814
Deferred tax assets	*7*	1,673	1,827
Derivative instruments	*22, 23*	–	7,049
Other non-current assets	*11*	48,665	56,838
Total non-current assets		**1,554,833**	1,372,388
Current assets			
Inventories	*12*	20,073	21,808
Trade and other receivables	*13*	127,450	113,497
Derivative instruments	*22, 23*	3,219	35,504
Current tax receivables		1,514	2,714
Cash and cash equivalents	*14*	246,593	517,074
Total current assets		**398,849**	690,597
TOTAL ASSETS		**1,953,682**	2,062,985
LIABILITIES			
Non-current liabilities			
Financial liabilities	*18, 22*	1,719	5,442
Bonds	*18, 22*	439,862	435,041
Lease liabilities	*10*	2,728	2,087
Provisions	*19*	268,509	250,657
Deferred tax liabilities	*7*	92,754	86,348
Derivative instruments	*22,23*	562	263
Total non-current liabilities		**806,134**	779,838
Current liabilities			
Trade and other payables	*21*	176,371	188,871
Financial liabilities	*18,22*	3,402	3,589
Derivative instruments	*22, 23*	19,869	1,267
Current tax liabilities		1,146	255
Lease liabilities	*10*	573	809
Provisions	*19*	6,717	8,097
Total current liabilities		**208,078**	202,888
EQUITY			
Shareholders' equity		939,315	1,080,074
Non-controlling interest		155	185
Net shareholders' equity		**939,470**	1,080,259
TOTAL EQUITY AND LIABILITIES		**1,953,682**	2,062,985

Approved by the Board of Directors

(Signed) C. Ashley Heppenstall
Director

(Signed) William Lundin
Director

See accompanying notes to the consolidated financial statements

Consolidated Statement of Cash Flow
For the years ended December 31, 2024 and 2023, AUDITED

USD Thousands	Note	2024	2023
Cash flow from operating activities			
Net result		102,219	172,979
Depletion, depreciation and amortization	*3, 9,10*	138,566	111,303
Write-off of exploration costs	*8*	1,419	–
Gain on sale of assets	*9*	(400)	(19,018)
Income tax	*7*	33,325	55,362
Amortization of capitalized financing fees	*6*	2,057	1,605
Foreign currency exchange loss/(gain)	*6*	23,427	1,911
Interest income	*5*	(17,721)	(21,774)
Interest expense	*6*	35,905	25,635
Unwinding of asset retirement obligation discount	*6*	14,568	13,408
Change in pension liability	*20*	682	446
Share-based costs	*17*	8,539	11,690
Changes in working capital		(47,092)	36,058
Decommissioning costs paid	*19*	(7,711)	(8,118)
Other payments	*19*	(1,997)	(2,370)
Net income taxes paid		(6,362)	(34,868)
Interest received		18,619	20,884
Interest paid		(32,821)	(21,977)
Other		865	2,998
Net cash flow from operating activities		**266,087**	346,154
Cash flow used in investing activities			
Investment in oil and gas properties	*9*	(432,794)	(312,690)
Investment in exploration and evaluation assets	*8*	(1,919)	(39)
Disposal of assets	*9*	221	20,191
Acquisitions net of cash acquired	*9*	–	(59,419)
Investment in other tangible fixed assets		(363)	(510)
Net cash (outflow) from investing activities		**(434,855)**	(352,467)
Cash flow from financing activities			
Repayments	*18*	(3,910)	(3,111)
Net bonds issuance proceeds	*18*	–	137,550
Paid financing fees		–	(507)
Repurchase of own shares (“NCIB”)	*15*	(102,188)	(95,358)
Other payments		(964)	(980)
Dividend paid		(41)	(31)
Net cash (outflow) from financing activities		**(107,103)**	37,563
Change in cash and cash equivalents		**(275,871)**	31,250
Cash and cash equivalents at the beginning of the year		517,074	487,240
Currency exchange difference in cash and cash equivalents		5,390	(1,416)
Cash and cash equivalents at the end of the year		**246,593**	517,074

See accompanying notes to the consolidated financial statements

Consolidated Statement of Changes in Equity
For the years ended December 31, 2024 and 2023, AUDITED

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	**243,361**	**795,490**	**(10,745)**	**18,838**	**31,344**	**1,786**	**1,080,074**	**185**	**1,080,259**
Net result	–	102,202	–	–	–	–	**102,202**	17	**102,219**
Re-measurements on defined pension plan	–	–	–	–	–	(3,491)	**(3,491)**	–	**(3,491)**
Cash flow hedges	–	–	–	–	(44,115)	–	**(44,115)**	–	**(44,115)**
Currency translation difference	–	–	(70,447)	(3,244)	(367)	133	**(73,925)**	(6)	**(73,931)**
Total comprehensive income	–	**102,202**	**(70,447)**	**(3,244)**	**(44,482)**	**(3,358)**	**(19,329)**	**11**	**(19,318)**
Repurchase of own shares (NCIB)[1]	(102,188)	–	–	–	–	–	**(102,188)**	–	**(102,188)**
Dividend distribution	–	–	–	–	–	–	–	(41)	**(41)**
Share based costs	–	–	–	8,629	–	–	**8,629**	–	**8,629**
Share based payments[2]	–	(21,740)	–	(6,131)	–	–	**(27,871)**	–	**(27,871)**
Balance at December 31, 2024	**141,173**	**875,952**	**(81,192)**	**18,092**	**(13,138)**	**(1,572)**	**939,315**	**155**	**939,470**

[1] See Note 15
[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 February 1, 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 retained earnings.

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	–	172,951	–	–	–	–	172,951	28	172,979
Re-measurements on defined pension plan	–	–	–	–	–	(679)	(679)	–	(679)
Acquisitions of Cor4[1]	–	–	–	–	881	–	881	–	881
Cash flow hedges	–	–	–	–	21,926	–	21,926	–	21,926
Currency translation difference	–	–	20,547	(83)	579	(46)	20,997	(3)	20,994
Total comprehensive income	–	172,951	20,547	(83)	23,386	(725)	216,076	25	216,101
Dividend distribution	–	–	–	–	–	–	–	(31)	(31)
Repurchase of own shares (NCIB)[2]	(95,358)	–	–	–	–	–	(95,358)	–	(95,358)
Share based costs	–	–	–	13,535	–	–	13,535	–	13,535
Share based payments[3]	–	(13,356)	–	(5,963)	–	–	(19,319)	–	(19,319)
Balance at December 31, 2023	243,361	795,490	(10,745)	18,838	31,344	1,786	1,080,074	185	1,080,259

[1] See Note 9
[2] See Note 15
[3] 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 February 1, 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 retained earnings.

See accompanying notes to the consolidated financial statements

1. CORPORATE INFORMATION AND MATERIAL ACCOUNTING POLICIES

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.

On March 3, 2023, IPC completed the acquisition (the "Cor4 acquisition") of all of the issued and outstanding shares of Cor4 Oil Corp. ("Cor4"). On June 1, 2023, Cor4 was amalgamated into IPC Canada Ltd.

B. Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These consolidated financial statements are presented in United States Dollars (USD), which is the Group's presentation and functional currency. The 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.

These consolidated financial statements have been approved by the Board of Directors of IPC and authorized for issuance on February 11, 2025.

C. Change in presentation

Certain comparative figures have been reclassified to conform with the financial statements presentation in the current year, more specifically the following item:

- 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 consolidated balance sheet as "Property, Plant and Equipment". Refer to Note 9.

D. Going concern

The Group's consolidated financial statements for the year ended December 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 year ended December 31, 2024, the Group applied the amended accounting standards, interpretations and annual improvement points that are effective as of January 1, 2024. The application of the amendments did not have a material impact on the consolidated financial statements.

There are no plans for the early adoption of published standards, interpretations, or amendments prior to their mandatory effective date. The Group does not expect that other changes in IFRS Accounting Standards will have a material impact on the consolidated financial statements.

F. Future accounting changes

On April 9, 2024, the International Accounting Standards Boards issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18"), which aims to improve how companies communicate their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is effective January 1, 2027. The Company is in the process of assessing the impact that the standard will have on its financial statements.

On May 30, 2024, the International Accounting Standards Board issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, which aim to improve the classification and measurement of financial instruments, including clarifications on contractual cash flow characteristics and Environmental, Social and Governance-related features ("ESG"). The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted. The Company is in the process of assessing the impact that these amendments will have on its financial statements.

G. Basis of Consolidation

Subsidiaries
Subsidiaries are all entities over which the Group has control and are consolidated. The Corporation controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The non-controlling interest in a subsidiary represents the portion of the subsidiary not owned by Group companies. The equity of the subsidiary relating to the non-controlling shareholders is shown as a separate item within changes in net equity.

Inter-company transactions, balances, income and expenses on transactions between companies are eliminated. Profits and losses resulting from intercompany transactions that are recognized in assets are also eliminated.

H. Joint Arrangements

Oil and gas operations of the Group are conducted as co-licensees in unincorporated joint ventures with other companies and are classified as joint operations. The consolidated financial statements reflect the relevant proportions of production, capital costs, operating costs and current assets and liabilities of the joint operation applicable to the Corporation's interests.

I. Foreign Currency Translation

Transactions and balances
Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date and foreign exchange currency differences are recognized in the consolidated statement of operations. Transactions in foreign currencies are translated at exchange rates prevailing at the transaction date. Foreign exchange gains and losses are presented within finance income and costs in the consolidated statement of operations.

Functional and presentation currency
Items included in the financial statements of each of the operational entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Corporation's operational entities are the USD, CAD, MYR and EUR. The consolidated financial statements are presented in USD which is the Corporation's presentation currency. The balance sheets and income statements of foreign companies are translated using the current rate method. All assets and liabilities are translated at the balance sheet date rates of exchange, whereas the income statements are translated at average rates of exchange for the year, except for transactions where it is more relevant to use the rate of the day of the transaction. The translation differences which arise are recorded directly in net assets.

Exchange rates for the relevant currencies of the Group with respect to the US Dollar are as follows:

	December 31, 2024		December 31, 2023	
	Average	Year end	Average	Year end
1 EUR equals USD	1.0821	1.0389	1.0816	1.1050
1 USD equals CAD	1.3698	1.4388	1.3496	1.3251
1 USD equals MYR	4.5759	4.4715	4.5598	4.5950

J. Classification of assets and liabilities

Non-current assets, long-term liabilities and provisions consist of amounts that are expected to be recovered or paid more than twelve months after the balance sheet date. Current assets and current liabilities consist solely of amounts that are expected to be recovered or paid within twelve months after the balance sheet date.

K. Exploration and evaluation assets

Costs directly associated with an exploration well are capitalized until the determination of reserves is evaluated. If it is determined that a commercial discovery has not been achieved or if there is a decision to not continue with a field specific exploration program, the costs will be expensed at the time the decision is made. During the exploration and development phases, no depletion is charged. The field will be transferred from the non-producing assets to the producing assets within oil and gas properties once production commences and accounted for as a producing asset.

L. Property, Plant and Equipment

Oil and gas properties
Oil and gas properties are recorded at historical cost less depletion. All costs for acquiring concessions, licences or interests in production sharing contracts and for the survey, drilling and development of such interests are capitalized on a field area cost center basis. Routine maintenance costs for producing assets are expensed to the statement of operations when they occur.

Oil and gas properties are depleted based on the year's production in relation to estimated total proved and probable reserves of oil and gas in accordance with the unit of production method. Depletion of a field area is charged to the statement of operations through cost of sales once production commences.

Proved reserves are those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and governmental regulations. Proved reserves can be categorized as developed or undeveloped. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimates.

Probable reserves are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves.

Proceeds from the sale or farm-out of oil and gas concessions in the exploration stage are offset against the related capitalized costs of each cost center with any excess of net proceeds over the costs capitalized included in the statement of operations. In the event of a sale in the exploration stage, any deficit is included in the statement of operations.

When there are facts and circumstances that suggest that the net book value of capitalized costs within each field area cost center is higher than anticipated future net cash flow from oil and gas reserves attributable to the Corporation's interest in the related field areas, the Corporation performs an assessment as to whether an asset may be impaired. Management determines the recoverable amounts of property, plant and equipment based on the higher of fair value less costs of disposal and value in use using estimated future discounted net cash flows of proved and probable oil and gas reserves. The Corporation's estimates of proved and probable oil and gas reserves used in the calculations for impairment tests and accounting for depletion are reviewed annually by Management's experts, specifically independent qualified reserves auditor ("IQRE").

The recoverable amount of the asset or cash-generating unit ("CGU") is estimated as the the higher of fair value less costs of disposal ("FVLCOD") and value in use ("VIU"). In determining FVLCOD, recent market transactions are considered, if available. In the absence of such transactions, FVLCOD is estimated based on the dicounted after-tax cash flows of reserves using forward prices, costs to develop and operating costs, consistent with IPC's IQREs. Value in use is estimated by discounting future cash flows expected to arise from the continuing use of a CGU or asset, to their present value, using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When the recoverable amount is less than the carrying value an impairment loss is recognized with the expensed charge to the statement of operations. If indications exist that previously recognized impairment losses no longer exist or are decreased, the recoverable amount is reversed. When a previously recognized impairment loss is reversed the carrying amount of the asset is increased to the estimated recoverable amount but the increased carrying amount may not exceed the carrying amount after depreciation that would have been determined had no impairment loss been recognized for the asset in prior years. If the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the asset is tested as part of a CGU, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Other tangible fixed assets

Other tangible fixed assets are stated at cost less accumulated depreciation. The cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is based on cost and is calculated on a straight line basis over the estimated economic life of 3 to 5 years for office equipment and other assets. The Floating Production Storage and Offloading ("FPSO") located on the Bertam field, Malaysia, is being depreciated to its residual value on a unit of production basis to August 2025.

Additional costs to existing assets are included in the assets' net book value or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The net book value of any replaced parts is written off. Other additional expenses are deemed to be repair and maintenance costs and are charged to the statement of operations when they are incurred.

The net book value is written down immediately to its recoverable amount when the net book value is higher. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

M. Leases

The Group leases various offices, warehouses, equipment and cars. Rental contracts are typically made for fixed periods of 3 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Right-of-use assets and corresponding liabilities are recognized when the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed and variable lease payments and the exercise price of the purchase option. The lease payments are discounted using the incremental borrowing rate and are classified as finance leases. The right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made and any initial direct costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss.

N. Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated balance sheet on the trade date, the date on which the Group becomes a party to the contractual provisions of the financial instrument. All financial instruments are required to be classified and measured at fair value on initial recognition. Measurement in subsequent periods is dependent upon the classification of the financial instrument. The Group classifies its financial instruments in the following categories:

Financial Assets at Amortized Cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. The Group's loans and receivables consist of fixed or determined cash flows related solely to principal and interest amounts or contractual sales of oil. The Group's intent is to hold these receivables until cash flows are collected. Loans and receivables are recognized initially at fair value, net of any transaction costs incurred and subsequently measured at amortized cost.

Financial Assets at Fair Value through Profit or Loss ("FVTPL")
Financial assets measured at FVTPL are assets which do not qualify as financial assets at amortized cost or at fair value through other comprehensive income.

Financial Liabilities at Amortized Cost
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL, or the Group has opted to measure them at FVTPL. Borrowings and accounts payable are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

Financial Liabilities at FVTPL
Financial liabilities measured at FVTPL are liabilities which include embedded derivatives and cannot be classified as amortized cost.

Impairment of Financial Assets
The measurement of impairment of financial assets is based on the expected credit losses model. For the trade and other receivables, the Group applies the simplified approach which requires the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss provision, the Group considered historical industry default rates as well as credit ratings of major customers. Additional disclosure related to the Group's financial assets is included in Note 22.

O. Derivative Financial Instruments and Hedging Activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either hedges of a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction, hedges of the fair value of recognized assets and liabilities or a firm commitment, or hedges of a net investment in a foreign operation.

The Group documents at the inception of the transaction the relationship between hedging instruments and the hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of the hedged items. The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 22. Movements on the hedging reserve is reflected in other comprehensive income. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than twelve months and as a current asset or liability when the remaining maturity of the hedged item is less than twelve months.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion, if any, is recognized immediately within statement of operations. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of operations. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognized in the statement of operations.

P. Inventories

Inventories of consumable well supplies are stated at the lower of cost and net realizable value, cost being determined on a weighted average cost basis. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventories of hydrocarbons are stated at the lower of cost and net realizable value. Under or overlifted positions of hydrocarbons are valued at market prices prevailing at the balance sheet date. An underlift of production from a field is included in the current receivables and valued at the reporting date spot price or prevailing contract price and an overlift of production from a field is included in the current liabilities and valued at the reporting date spot price or prevailing contract price. A change in the over or underlift position is reflected in the statement of operations as revenue.

Q. Cash and cash equivalents

Cash and cash equivalents include cash at bank and cash in hand.

R. Provisions

A provision is reported when the Group has a legal or constructive obligation as a consequence of a past event and when it is more likely than not that an outflow of resources is required to settle the obligation and a reliable estimate can be made of the amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as financial expense.

On fields where there is an obligation to contribute to asset retirement obligation costs, a provision is recorded to recognize the future commitment. An asset is created, as part of the oil and gas property, to represent the discounted value of the anticipated asset retirement obligation liability and depleted over the life of the field on a unit of production basis. The corresponding accounting entry to the creation of the asset recognizes the discounted value of the future liability. The discount applied to the anticipated asset retirement obligation liability is subsequently released over the life of the field and is charged to financial expenses. Changes in asset retirement obligation costs and reserves are treated prospectively and consistent with the treatment applied upon initial recognition.

S. Revenue and Other Operating Revenue

Revenue associated with the sale of crude oil and natural gas is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of the product or service to a customer, which is generally when title passes from the Group to its customer. The Group satisfies its performance obligations in contracts with customers upon the delivery of crude oil and natural gas, which is generally at a point in time.

Royalties payments to governments and other mineral interest owners are recognized as a cost in the revenue section.

Production and sales taxes directly attributable to fields, including export duties, are expensed in the statement of operations and classified as direct production taxes included within production costs. Production taxes payable in cash are accrued in the accounting period in which the liability arises.

T. Employee Benefits

Short-term employee benefits
Short-term employee benefits such as salaries, social premiums and holiday pay, are expensed when incurred.

Pension obligations
The pension obligations consist of defined contribution plans for all companies within the Group except for one Swiss subsidiary, International Petroleum SA. A defined contribution plan is a pension plan under which the Group pays fixed contributions. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as an expense when they are due.

International Petroleum SA has a defined benefit pension plan that is managed through a private pension plan. Independent actuaries determine the cost of the defined benefit plan on an annual basis, and the subsidiary pays the annual insurance premium. The pension plan provides benefits coverage to the employees of International Petroleum SA in the event of retirement, death or disability. International Petroleum SA and its employees jointly finance retirement and risk benefits. Employees of International Petroleum SA pay 40% of the savings contributions, of the risk contributions and of the cost contributions and International Petroleum SA contributes the difference between the total of all required pension plan contributions and the total of all employees' contributions.

Share-based payments
The Group operates an equity-settled, share-based compensation plan under which the entity receives services from employees, directors and officers as consideration for equity instruments of the Corporation. Equity-settled share-based payments are recognized in the statement of operations as expenses during the vesting period and as equity in the balance sheet. The option is measured at fair value at the date of the grant using an appropriate options pricing model and is charged to the statement of operations over the vesting period without revaluation of the value of the option.

U. Taxation

The components of tax are current and deferred. Tax is recognized in the statement of operations, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is accounted for consistently with the related item.

Current tax is tax that is to be paid or received for the year in question and also includes adjustments of current tax attributable to previous periods.

Deferred income tax is a non-cash charge provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values. Temporary differences can occur for example where investment expenditure is capitalized for accounting purposes but the tax deduction is accelerated or where asset retirement obligation costs are provided for in the financial statements but not deductible for tax purposes until they are actually incurred. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Corporation and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets are offset against deferred tax liabilities in the balance sheet where they relate to the same jurisdiction and there is a legally enforceable right to offset.

V. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, which, due to the unique nature of each country's operations, commercial terms or fiscal environment, is at a country level.

W. Business combinations

Acquisitions of businesses are accounted for using the purchase method of accounting whereby all identifiable assets and liabilities are recorded at their fair values as at the date of acquisition. Any excess purchase price over the aggregate fair value of net assets is recorded as goodwill. Goodwill is identified and allocated to CGU, or groups of CGUs, that are expected to benefit from the synergies of the acquisition. Goodwill is not amortized. Any excess of the aggregate fair value of net assets over the purchase price is recognized in the consolidated statement of operations.

A CGU to which goodwill has been allocated is tested for impairment at least annually or when events or circumstances indicate that an assessment for impairment is required. For goodwill arising on an acquisition in a financial year, the CGU to which the goodwill has been allocated is tested for impairment before the end of that financial year.

When the recoverable amount of the CGU is less than the carrying amount of that CGU, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to that CGU first, and then to the other assets of that CGU pro rata on the basis of the carrying amount of each asset in the CGU. Any impairment loss for goodwill is recognized directly in the consolidated statement of earnings. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In connection with the preparation of the consolidated financial statements, the Group's management has made assumptions and estimates about future events and applied judgments that affect the reported values of assets, liabilities, revenues, expenses and related disclosures. The assumptions, estimates and judgments are based on historical experience, current trends and other factors that management believes to be relevant at the time the consolidated financial statements are prepared. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that the consolidated financial statements are presented fairly in accordance with IFRS Accounting Standards. However, because future events and their effects cannot be determined with certainty, actual results could differ from these assumptions and estimates, and such differences could be material.

Management believes the following critical accounting policies affect the more significant judgments and estimates used in the preparation of the consolidated financial statements:

Estimates of oil and gas reserves

Estimates of oil and gas reserves are used in the calculations for impairment tests and accounting for depletion and asset retirement obligation. Standard recognized evaluation techniques are used to estimate the proved and probable reserves. These techniques take into account the future level of development required to produce the reserves. Independent qualified reserves auditors reviews these estimates. Changes in estimates in oil and gas reserves, resulting in different future production profiles, will affect the discounted cash flows used in impairment testing, the anticipated date of site decommissioning and restoration and the depletion charges in accordance with the unit of production method. Changes in estimates in oil and gas reserves could for example result from additional drilling, observation of long-term reservoir performance or changes in economic factors such as oil price and inflation rates. Significant assumptions developed by management used to determine estimates of proved and probable oil and gas reserves include expected production volumes, future oil and gas prices, future development costs and future production costs.

Impairment of oil and gas properties

Impairment tests are performed when there are indicators of impairment. Key assumptions in the impairment models relate to prices and costs that are based on forward curves and the long-term corporate assumptions. The impairment test requires the use of estimates. For the purpose of determining a potential impairment, the significant assumptions developed by management used to determine the recoverable amount include the estimates of oil an gas reserves and the discount rate. These assumptions and judgements of management that are based on them are subject to change as new information becomes available. Changes in economic conditions can also affect the rate used to discount future cash flow estimates and the discount rate applied is reviewed throughout the year.

Provision for asset retirement obligations

Amounts used in recording a provision for asset retirement obligations are estimates based on current legal and constructive requirements and current technology and price levels for the removal of facilities and decommissioning. Due to changes in relation to these items, the future actual cash outflows in relation to the site decommissioning and restoration can be different. To reflect the effects due to changes in legislation, requirements and technology and price levels, the carrying amounts of asset retirement obligation provisions are reviewed on a regular basis.

Deferred income tax assets

The Group accounts for differences that arise between the carrying amount of assets and liabilities and their tax bases in accordance with IAS 12, Income Taxes, which requires deferred income tax assets only to be recognized to the extent that is probable that future taxable profits will be available against which the temporary differences can be utilized. Management estimates future taxable profits based on the financial models used to value its oil and gas properties. Any change to the estimates and assumptions used for the key operational and financial variables used within the business models could affect the amount of deferred income tax assets recognized.

The effects of changes in estimates do not give rise to prior year adjustments and are treated prospectively over the estimated remaining commercial reserves of each field. While the Group uses its best estimates and judgement, actual results could differ from these estimates.

Fair value of assets acquired and liabilities assumed in a business combination

The fair value of assets acquired and liabilities assumed in a business combination, including contingent consideration and any goodwill, is estimated based on information available at the date of acquisition. Various valuation techniques are applied for measuring fair value including market comparables and discounted cash flows which rely on assumptions such as forward commodity prices, reserves and resources estimates, production costs and discount rates. Changes in these variables could significantly impact the carrying value of the net assets.

3. 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 8 and 9.

			2024		
USD Thousands	Canada	Malaysia	France	Other	Total
Crude oil	678,094	105,445	70,948	–	**854,487**
NGLs	927	–	–	–	**927**
Gas	34,040	–	–	–	**34,040**
Sales of oil and gas	**713,061**	**105,445**	**70,948**	–	889,454
Change in under/over lift position	–	–	41	–	**41**
Royalties	(111,114)	–	(4,285)	–	**(115,399)**
Hedging settlement	22,370	–	–	–	**22,370**
Other operating revenue	–	–	914	403	**1,317**
Revenue	**624,317**	**105,445**	**67,618**	**403**	797,783
Operating costs	(225,775)	(32,771)	(35,464)	–	**(294,010)**
Cost of blending	(152,735)	–	–	–	**(152,735)**
Change in inventory position	(594)	(1,024)	145	–	**(1,473)**
Depletion and decommissioning costs	(88,583)	(27,481)	(12,328)	–	**(128,392)**
Depreciation of other tangible fixed assets	–	(8,933)	–	–	**(8,933)**
Exploration and business development costs	–	(1,407)	(12)	(650)	**(2,069)**
Gross profit	**156,630**	**33,829**	**19,959**	**(247)**	**210,171**

			2023		
USD Thousands	Canada	Malaysia	France	Other	Total
Crude oil	688,891	101,237	81,093	–	871,221
NGLs	1,172	–	–	–	1,172
Gas	67,338	–	–	–	67,338
Net sales of oil and gas	757,401	101,237	81,093	–	939,731
Change in under/over lift position	–	–	400	–	400
Royalties	(101,177)	–	(5,120)	–	(106,297)
Hedging settlement	18,928	–	–	–	18,928
Other operating revenue	7	–	867	270	1,144
Revenue	675,159	101,237	77,240	270	853,906
Operating costs	(249,995)	(35,679)	(36,288)	–	(321,962)
Cost of blending	(172,996)	–	–	–	(172,996)
Change in inventory position	504	3,358	(207)	–	3,655
Depletion and decommissioning costs	(70,104)	(17,800)	(14,018)	–	(101,922)
Depreciation of other tangible fixed assets	–	(7,812)	–	–	(7,812)
Exploration and business development costs	(834)	–	(39)	(1,482)	(2,355)
Gross profit/(loss)	181,734	43,304	26,688	(1,212)	250,514

	Assets		Liabilities	
USD Thousands	2024	2023	2024	2023
Canada	2,010,107	1,966,370	1,226,081	1,082,035
Malaysia	165,701	175,159	104,290	112,467
France	158,518	204,006	83,581	95,840
Other	205,293	199,177	186,197	174,111
Intercompany balance elimination	(585,937)	(481,727)	(585,937)	(481,727)
Total Assets / Liabilities	**1,953,682**	2,062,985	**1,014,212**	982,726
Shareholders' equity	–	–	939,315	1,080,074
Non-controlling interest	–	–	155	185
Total equity for the group	–	–	**939,470**	1,080,259
Total consolidated	**1,953,682**	2,062,985	**1,953,682**	2,062,985

4. PRODUCTION COSTS

USD Thousands	2024	2023
Cost of operations	251,070	275,868
Tariff and transportation expenses	38,195	40,929
Direct production taxes	4,745	5,165
Operating costs	**294,010**	321,962
Cost of blending[1]	152,735	172,996
Change in inventory position	1,473	(3,655)
Total production costs	**448,218**	491,303

[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.*

5. FINANCE INCOME

USD Thousands	2024	2023
Interest income	17,721	21,774
Total finance income	**17,721**	21,774

6. FINANCE COSTS

USD Thousands	2024	2023
Foreign exchange loss, net[1]	23,427	1,911
Interest expense	35,905	25,635
Unwinding of asset retirement obligation discount	14,568	13,408
Amortization of capitalized financing fees	2,057	1,605
Loan commitment fees	837	672
Other financial costs	636	1,279
Total finance costs	**77,430**	44,510

[1] *Includes an amount of USD 10.8 million related to realized losses on currency cashflow hedges.*

7. INCOME TAX

USD Thousands	2024	2023
Current tax	(8,313)	(14,457)
Deferred tax	(25,012)	(40,905)
Total tax expense	**(33,325)**	(55,362)

The Group is within the scope of the OECD Pillar Two model rules. 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.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of Canada as follows:

USD Thousands	2024	2023
Profit before tax	135,544	228,341
Tax calculated at the corporate tax rate in Canada 25%	(33,886)	(57,086)
Effect of foreign and domestic tax rates	6,473	7,470
Tax effect of recognition / (derecognition) of unrecorded tax losses	(6,216)	(4,736)
Tax effect due to true-up of provision to prior year tax filings	790	(102)
Other	(486)	(908)
Total tax	**(33,325)**	(55,362)

Specification of deferred tax assets and tax liabilities[1]

USD Thousands	2024	2023
Unused tax loss carry forward	40,042	34,446
Derivative hedges	3,933	–
Other	10,302	5,959
Deferred tax assets	**54,277**	40,405
Accelerated allowances	145,358	115,399
Derivative hedges	–	9,527
Deferred tax liabilities	**145,358**	124,926
Deferred taxes, net	**(91,081)**	(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.

8. EXPLORATION AND EVALUATION ASSETS

USD Thousands	Canada	Malaysia	France	Total
Cost				
January 1, 2024	–	–	–	–
Additions	500	1,407	12	**1,919**
Write-off	–	(1,407)	(12)	**(1,419)**
Reclassification	–	–	–	–
Currency translation adjustments	(20)	–	–	**(20)**
Net book value December 31, 2024	**480**	**–**	**–**	**480**

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	–	–	–	–

9. PROPERTY, PLANT AND EQUIPMENT

USD Thousands	2024	2023
Oil and gas properties	1,484,487	1,278,422
Other tangible fixed assets	16,425	25,438
Property, Plant and Equipment	**1,500,912**	1,303,860

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	412,284	17,035	3,475	**432,794**
Disposals	(94)	–	–	**(94)**
Change in estimates	36,995	(8,424)	(9,018)	**19,553**
Reclassification	(10,773)	–	–	**(10,773)**
Currency translation adjustments	(135,842)	–	(26,021)	**(161,863)**
December 31, 2024	**1,767,580**	**599,734**	**405,129**	**2,772,443**
Accumulated depletion				
January 1, 2024	(398,288)	(502,834)	(313,282)	**(1,214,404)**
Depletion charge for the year	(88,583)	(27,481)	(12,328)	**(128,392)**
Disposals	94	–	–	**94**
Currency translation adjustments	35,760	–	18,986	**54,746**
December 31, 2024	**(451,017)**	**(530,315)**	**(306,624)**	**(1,287,956)**
Net book value December 31, 2024	**1,316,563**	**69,419**	**98,505**	**1,484,487**

USD Thousands	Canada	Malaysia	France	Total
Cost				
January 1, 2023	1,089,789	566,606	399,237	2,055,632
Acquisition of Cor4	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 year	(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.

Cor4 acquistion

On March 3, 2023, IPC completed the acquisition of all of the issued and outstanding shares of Cor4. At such date, Cor4 became an indirect, wholly-owned subsidiary of IPC. Cor4 owned assets in the Brooks area, Alberta. On June 1, 2023, Cor4 was amalgamated into IPC Canada Ltd.

The Cor4 acquisition has been accounted for as a business combination with IPC being the acquirer, and in accordance with IFRS 3 Business Combinations, the assets acquired and liabilities assumed have been recorded at their fair values.

The total cash consideration paid, after preliminary closing adjustments, amounted to USD 62.2 million (CAD 84.7 million).

The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

USD Thousands	
Cash	2,792
Trade and other receivables	7,671
Prepaid expenses and deposits	2,417
Fair value of risk management assets	1,144
Deferred tax assets	19,334
Right-of-use assets	109
Property, plant and equipment	72,242
Accounts payable and accrued liabilities	(12,623)
Right-of-use liabilities	(109)
Decommissioning liabilities	(29,885)
Mark-To-Market ("MTM") reserve in equity	(881)
Total Consideration	**62,211**

Acquisition-related costs of approximately USD 0.8 million have been recognized in the statement of operations during the year ended December 31, 2023.

Decommissioning liabilities
The fair value of the decommissioning liability at the acquisition date was based on the estimated future cash flows to decommission the acquired oil and natural gas properties at the end of their useful life. The discount rate used to determine the net present value of the decommissioning obligation was a credit risk adjusted rate of 8%.

Impairment test

As of December 31, 2024, the Group determined that no internal or external indicators of impairment existed on its oil and gas properties; therefore, the performance of an impairment test was determined not to be necessary.

Other tangible fixed assets

USD Thousands	FPSO	Other	Total
Cost			
January 1, 2024	204,853	10,048	**214,901**
Additions	–	363	**363**
Currency translation adjustments	–	(587)	**(587)**
December 31, 2024	204,853	9,824	**214,677**
Accumulated depreciation			
January 1, 2024	(181,123)	(8,340)	**(189,463)**
Depreciation charge for the year	(8,933)	(334)	**(9,267)**
Currency translation adjustments	–	478	**478**
December 31, 2024	**(190,056)**	**(8,196)**	**(198,252)**
Net book value December 31, 2024	**14,797**	**1,628**	**16,425**

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 year	(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

[1] *Depreciation of Other is included in General, administration and depreciation expenses in the statement of operations.*

The Floating Production Storage and Offloading facility ("FPSO") located on the Bertam field, Malaysia, is being depreciated to its residual value on a unit of production basis to August 2025. 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.

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

USD Thousands	Total
January 1, 2024	**2,814**
Additions	1,292
Depreciation	(907)
Currency translation adjustments	(96)
Right-of-use-assets as at December 31, 2024	**3,103**
Current	573
Non-Current	2,728
Lease Liabilities as at December 31, 2024	**3,301**

USD Thousands	Total
January 1, 2023	1,217
Acquisition of Cor4 - See note 9	109
Additions	2,508
Disposal	(162)
Depreciation	(885)
Currency translation adjustments	27
Right-of-use-assets as at December 31, 2023	2,814
Current	809
Non-Current	2,087
Lease Liabilities as at December 31, 2023	2,896

11. OTHER NON-CURRENT ASSETS

USD Thousands	December 31, 2024	December 31, 2023
Financial assets	34,788	41,486
Intangible assets	13,877	15,352
	48,665	56,838

Financial assets mainly represent cash payments made in local currency to an asset retirement obligation fund for the Bertam field, Malaysia for an amount equivalent of USD 30.6 million (2023: USD 28.7 million). Financial assets also include 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.

12. INVENTORIES

USD Thousands	December 31, 2024	December 31, 2023
Hydrocarbon stocks	11,250	13,530
Well supplies and operational spares	8,823	8,278
	20,073	21,808

13. TRADE AND OTHER RECEIVABLES

USD Thousands	December 31, 2024	December 31, 2023
Trade receivables	94,265	97,264
Underlift	1,007	1,029
Joint operations debtors	1,432	910
Prepaid expenses and accrued income	12,346	10,986
Other	18,400	3,308
	127,450	113,497

Other receivables include secured amounts of USD 7.7 million towards the future asset retirement obligation for the Bertam field.

14. CASH AND CASH EQUIVALENTS

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

15. 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)	(7,822,595)
Balance at December 31, 2024	**119,169,471**

The common shares of IPC are listed to trade on both the Toronto Stock Exchange and the Nasdaq Stockholm Exchange. The Corporation is authorized to issue an unlimited number of Common Shares without par value.

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 (NCIB) announced in December 2022 and renewed in December 2023, 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.

From January 1, 2024 to December 4, 2024, IPC purchased and cancelled a total of 7,109,365 common shares under the NCIB.

The NCIB was further renewed in Q4 2024 and IPC is entitled to purchase up to 7,465,356 common shares over the period of December 5, 2024 to December 4, 2025. During December 2024, IPC purchased 823,386 and cancelled 713,230 common shares under the renewed NCIB for on aggregate of 7,822,595 common shares cancelled in 2024.

As at December 31, 2024, IPC had a total of 119,169,471 common shares issued and outstanding and held 110,156 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 and do not carry the right to vote on matters to be decided by the holders of IPC's common shares.

16. 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 years presented.

	2024	2023
Net result attributable to shareholders of the Parent Company, USD	102,201,942	172,951,130
Weighted average number of shares for the year	124,072,452	132,080,662
Earnings per share, USD	**0.82**	1.31
Weighted average diluted number of shares for the year	126,299,688	135,349,211
Earnings per share fully diluted, USD	**0.81**	1.28

17. SHARE BASED PAYMENTS

IPC Share Unit Plan

The shareholders of IPC at the 2018 Annual General Meeting and at the 2021 Annual General Meeting approved a Share Unit Plan. Awards under the plan will be accounted from the date of grant.

The IPC Performance Share Plan ("PSP") 2021 awards vested on February 1, 2024 at a price of CAD 14.90 per award.

The IPC PSP 2022 awards are subject to continued employment and to certain performance conditions being met. The total outstanding number of awards at December 31, 2024, is 937,000 which vested on February 1, 2025 at a price of CAD 18.89. Each award was fair valued at the grant date at CAD 8.40 using an adjusted share price calculated with a hybrid valuation model based on the Monte Carlo simulation. The assumptions used in the calculation of the adjusted share price were a risk free rate of 0.38%, expected volatility of 45%, dividend yield rate of 0%, and an exercise price of CAD zero.

The IPC PSP 2023 awards are subject to continued employment and to certain performance conditions being met. The total outstanding number of awards at December 31, 2024, is 813,000 which vest on February 1, 2026. Each award was fair valued at the grant date at CAD 11.51 using an adjusted share price calculated with a hybrid valuation model based on the Monte Carlo simulation. The assumptions used in the calculation of the adjusted share price were a risk free rate of 2.17%, expected volatility of 46%, dividend yield rate of 0%, and an exercise price of CAD zero.

The IPC PSP 2024 awards are subject to continued employment and to certain performance conditions being met. The total outstanding number of awards at December 31, 2024, is 819,000 which vest on February 1, 2027. Each award was fair valued at the grant date at CAD 11.52 using an adjusted share price calculated with a hybrid valuation model based on the Monte Carlo simulation. The assumptions used in the calculation of the adjusted share price were a risk free rate of 2.27%, expected volatility of 39%, dividend yield rate of 0%, and an exercise price of CAD zero.

IPC Performance Share Plan	2021 Awards	2022 Awards	2023 Awards	2024 Awards	Total
Outstanding at January 1, 2024	1,716,000	937,000	813,000	–	**3,466,000**
Awarded during the year	–	–	–	819,000	**819,000**
Forfeited during the year	–	–	–	–	**–**
Vested during the year	(1,716,000)	–	–	–	**(1,716,000)**
Outstanding at December 31, 2024	–	**937,000**	**813,000**	**819,000**	**2,569,000**
Vesting date					
February 1, 2025	–	937,000	–	–	**937,000**
February 1, 2026	–	–	813,000	–	**813,000**
February 1, 2027	–	–	–	819,000	**819,000**
Outstanding at December 31, 2024	–	**937,000**	**813,000**	**819,000**	**2,569,000**

The third instalment of the IPC Restricted Share Plan ("RSP") 2021 awards vested on February 1, 2024, at a price of CAD 14.90 per award.

The second instalment of the IPC RSP 2022 awards vested on February 1, 2024, at a price of CAD 14.90 per award. The total outstanding number of 2022 awards under the IPC RSP as at December 31, 2024, is 151,035 which vested on February 1, 2025, at a price of CAD 18.89. Each award was fair valued at the grant date at CAD 9.09.

The first instalment of the IPC RSP 2023 awards vested on February 1, 2024, at a price of CAD 14.90 per award. The second instalment of the IPC RSP 2023 awards vested on February 1, 2025, at a price of CAD 18.89 per award. The third instalment vest on February 1, 2026, subject to continued employment. Each award was fair valued at the grant date at CAD 14.27.

The first instalment of the IPC RSP 2024 awards vested on February 1, 2025, at a price of CAD 18.89 per award. The second and third instalment vest respectively on February 1, 2026, and February 1, 2027, subject to continued employment. Each award was fair valued at the grant date at CAD 14.82.

IPC Restricted Share Plan	2021 Awards	2022 Awards	2023 Awards	2024 Awards	Total
Outstanding at January 1, 2024	321,512	307,359	330,708	–	**959,579**
Awarded during the year	–	–	–	370,338	**370,338**
Forfeited during the year	–	(2,082)	(3,436)	(6,303)	**(11,821)**
Vested during the year	(321,512)	(154,242)	(110,192)	–	**(585,946)**
Outstanding at December 31, 2024	–	**151,035**	**217,080**	**364,035**	**732,150**
Vesting date					
February 1, 2025	–	151,035	108,916	122,095	**382,046**
February 1, 2026	–	–	108,164	121,131	**229,295**
February 1, 2027	–	–	–	120,809	**120,809**
Outstanding at December 31, 2024	–	**151,035**	**217,080**	**364,035**	**732,150**

Under the IPC Share Unit Plan, the Group allows non-employee directors of the Corporation to elect for awards for fees for services performed as a director and otherwise payable in cash. These awards will vest immediately at the time of grant. However, these awards may not be redeemed before the end of service as a director of the Corporation. The 2021 outstanding RSP awards as at December 31, 2024 is 4,333 awards issued with a fair value at the grant date at CAD 6.95. The 2022 outstanding RSP awards as at December 31, 2024 is 2,391 awards issued with a fair value at the grant date at CAD 12.80, and 2,072 awards issued with a fair value at the grant date at CAD 15.53. The 2023 outstanding RSP awards as at December 31, 2024 is 3,244 awards issued with a fair value at the grant date at CAD 10.52, and 2,443 awards issued with a fair value at the grant date at CAD 16.24. The 2024 outstanding RSP awards as at December 31, 2024 is 4,328 awards issued with a fair value at the grant date at CAD 18.19 and 5,607 awards issued with a fair value at the grant date at CAD 15.72. The total outstanding RSP awards outstanding as at December 31, 2024, is 24,418.

The costs charged to the statement of operations of the Group for the Share-Based payments are summarized in the following table:

USD Thousands	2024	2023
IPC PSP – 2020 Awards	–	159
IPC RSP – 2020 Awards	–	35
IPC PSP – 2021 Awards	108	1,881
IPC RSP – 2021 Awards	52	377
IPC PSP – 2022 Awards	1,477	2,856
IPC RSP – 2022 Awards	464	1,063
IPC PSP – 2023 Awards	1,728	3,360
IPC RSP – 2023 Awards	1,048	1,959
IPC PSP – 2024 Awards	1,414	–
IPC RSP – 2024 Awards	2,248	–
	8,539	11,690

18. FINANCIAL LIABILITIES

USD Thousands	December 31, 2024	December 31, 2023
Current bank loans	3,402	3,589
Non current bank loans	1,719	5,442
Bonds	443,407	440,288
Capitalized financing fees	(3,545)	(5,247)
	444,983	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 December 31, 2024, IPC had a nominal USD 450 million of bonds outstanding with maturity in February 2027. The bond repayment obligations as at December 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 MCAD 75 to MCAD 180 with a maturity to May 2025. During Q2 2024, the Group extended the maturity of the Canadian RCF to May 2026. The Canadian RCF is undrawn and fully available as at December 31, 2024. During Q3 2024, the Group entered into a letter of credit facility in Canada (the "LC Facility") to cover existing operational letters of credit. As at December 31, 2024, operational letters of credit in an aggregate of MCAD 40.2 have been issued under the LC Facility, including letters of credit issued in Q2 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 December 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 December 31, 2024 was USD 5.1 million (EUR 4.9 million). An amount of USD 3.4 million (EUR 3.3 million) drawn under the France Facility as at December 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 December 31, 2024.

The net (debt)/cash reconciliation can be summarized as follows:

USD Thousands	December 31, 2024	December 31, 2023
Cash and cash equivalents	246,593	517,074
Bonds	(443,407)	(440,288)
Borrowings	(5,121)	(9,031)
Lease liabilities	(3,301)	(2,896)
Net (debt)/cash	**(205,236)**	64,859

The net (debt)/cash and the movements in net (debt)/cash can be summarized as follows:

USD Thousands	Cash	Lease liabilities	Financial liabilities due before 1 year	Financial liabilities due after 1 year	Bonds due after 1 year	Total
Net (debt)/cash as at January 1, 2024	**517,074**	**(2,896)**	**(3,589)**	**(5,442)**	**(440,288)**	**64,859**
Cash flows	(275,871)	964	–	3,910	(3,119)	**(274,116)**
Reclassification Long term / Short term	–	–	187	(187)	–	**–**
Additional leases	–	(1,480)	–	–	–	**(1,480)**
Currency translation adjustments	5,390	111	–	–	–	**5,501**
Net (debt)/cash as at December 31, 2024	**246,593**	**(3,301)**	**(3,402)**	**(1,719)**	**(443,407)**	**(205,236)**
Net debt (excluding lease liabilities and including the redeemable bonds value at maturity (USD 450 million))						**(208,528)**

USD Thousands	Cash	Lease liabilities	Financial liabilities due before 1 year	Financial liabilities due after 1 year	Bonds due after 1 year	Total
Net (debt)/cash as at January 1, 2023	487,240	(1,259)	(3,431)	(8,711)	(300,000)	173,839
Cash flows	31,250	980	–	3,111	(140,288)	(104,947)
Reclassification Long term / Short term	–	–	(158)	158	–	–
Additional leases	–	(2,651)	–	–	–	(2,651)
Currency translation adjustments	(1,416)	34	–	–	–	(1,382)
Net (debt)/cash as at December 31, 2023	517,074	(2,896)	(3,589)	(5,442)	(440,288)	64,859
Net cash (excluding lease liabilities and including the redeemable bonds value at maturity (USD 450 million))						58,043

19. 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	–	–	682	544	**1,226**
Disposals	(197)	–	–	–	**(197)**
Unwinding of asset retirement obligation discount	14,568	–	–	–	**14,568**
Payments	(7,711)	(591)	(906)	(500)	**(9,708)**
Change in estimates	19,553	–	3,491	–	**23,044**
Reclassification[1]	1,013	–	–	–	**1,013**
Currency translation adjustments	(13,385)	94	(133)	(50)	**(13,474)**
December 31, 2024	**267,790**	**1,679**	**3,685**	**2,072**	**275,226**
Non-current	261,632	1,120	3,685	2,072	**268,509**
Current	6,158	559	–	–	**6,717**
Total	**267,790**	**1,679**	**3,685**	**2,072**	**275,226**

[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 11).*

USD Thousands	Asset retirement obligation	Farm-in obligation	Pension obligation	Other	Total
January 1, 2023	206,249	3,404	306	1,478	211,437
Acquisition of Cor4 - See note 9	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 11).

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.

20. PENSION LIABILITY

The Group operates a pension plan for employees in Switzerland that is managed through a private pension plan. The amount recognized in the balance sheet associated with the Swiss pension plan is as follows:

USD Thousands	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	19,569	22,241
Fair value of plan assets	(15,884)	(21,690)
Pension obligation, ending balance	**3,685**	551

The movement in the defined benefit obligation over the year is as follows:

USD Thousands	For the year ended December 31, 2024	For the year ended December 31, 2023
Opening balance	22,241	13,910
Current service cost	608	423
Ordinary contributions paid by employees	604	617
Additional contributions paid by employees	1,340	6,685
Interest expense on defined benefit obligation	402	322
Actuarial (gain)/loss on defined benefit obligation	3,390	524
Administration costs	18	16
Benefits paid from plan assets	(7,440)	(2,135)
Past service cost	46	–
Foreign exchange (gain)/loss	(1,640)	1,879
Defined benefit obligation, ending balance	**19,569**	22,241

The weighted average duration of the defined benefit obligation is 16.7 years. There is no maturity profile since the average remaining life before active employees reach final age according to the plan is 9.3 years.

The movement in the fair value of the plan assets over the year is as follows:

USD Thousands	For the year ended December 31, 2024	For the year ended December 31, 2023
Opening balance	21,690	13,604
Ordinary contributions paid by employer	906	925
Ordinary contributions paid by employees	604	617
Additional contributions paid by employees	1,340	6,685
Interest income on plan assets	392	315
Return on plan assets excluding interest income	(101)	(155)
Foreign exchange gain/(loss)	(1,507)	1,834
Benefits paid from plan assets	(7,440)	(2,135)
Fair value of plan assets, ending balance	**15,884**	21,690

The plan assets are under an insurance contract comprised entirely of free funds and reserves, such as fluctuation reserves and employer contribution reserves, for which there is no quoted price in an active market.

The amount recognized in the statement of operations associated with the Group's pension plan is as follows:

USD Thousands	For the year ended December 31, 2024	For the year ended December 31, 2023
Current service cost	608	423
Interest expense on defined benefit obligation	402	322
Administration costs	18	16
Past service cost	46	–
Interest income on plan assets	(392)	(315)
Total expense recognized	**682**	446

The expense associated with the Group's pension plan of USD 682 thousand was included within general and administrative expenses. The Group also recognized in other comprehensive income a USD 3,491 thousand net actuarial loss on defined benefit obligations and pension plan assets.

The principal actuarial assumptions used to estimate the Group's pension obligation are as follows:

USD Thousands	For the year ended December 31, 2024	For the year ended December 31, 2023
Discount rate	**1.00%**	1.90%
Inflation rate	**1.00%**	1.25%
Future salary increase	**1.25%**	1.25%
Future pension increases	**0.00%**	0.00%
Retirement ages, male ('M') and female ('F')	**M65/F65**	M65/F64

Assumptions regarding future mortality are set based on actuarial advice in accordance with the BVG 2020 GT generational published statistics and experience in Switzerland. The discount rate is determined by reference to the yield on high quality corporate bonds. The rate of inflation is based on the expected value of future annual inflation adjustments in Switzerland. The rate for future salary increases is based on the average increase in the salaries paid by the Group, and the rate of pension increases is based on the annual increase in risk, retirement and survivors' benefits.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease by 7.4%	Increase by 8.4%
Salary growth rate	0.50%	Increase by 0.4%	Decrease by 0.4%
Life Expectancy	One year	Increase by 1.3%	Decrease by 1.4%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the pension liability recognized within the consolidated balance sheet.

21. TRADE AND OTHER PAYABLES

USD Thousands	December 31, 2024	December 31, 2023
Trade payables	42,634	42,761
Joint operations creditors	11,671	22,257
Accrued expenses	119,316	118,912
Other	2,750	4,941
	176,371	188,871

22. FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities by category

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

December 31, 2024 USD Thousands	Total	Financial assets at amortized cost	Fair value recognized in profit or loss (FVTPL)	Derivatives used for hedging
Other assets[1]	**34,788**	34,788	–	–
Derivative instruments	**3,219**	–	–	3,219
Joint operation debtors	**1,432**	1,432	–	–
Other current receivables[2]	**115,186**	114,179	1,007	–
Cash and cash equivalents	**246,593**	246,593	–	–
Financial assets	**401,218**	**396,992**	**1,007**	**3,219**

[1] See Note 11
[2] Prepayments are not included in other current assets as prepayments are not deemed to be financial instruments.

December 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	**441,581**	441,581	–	–
Current financial liabilities	**3,402**	3,402	–	–
Derivative instruments	**20,431**	–	–	20,431
Joint operation creditors	**11,671**	11,671	–	–
Other current liabilities	**165,846**	165,846	–	–
Financial liabilities	**642,931**	**622,500**	–	**20,431**

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

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]	41,486	41,486	–	–
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	706,338	662,756	1,029	42,553

[1] See Note 11
[2] Prepayments are not included in other current assets as prepayments are not deemed to be financial instruments.

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

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:

December 31, 2024 USD Thousands	Level 1	Level 2	Level 3
Other current receivables	1,007	–	–
Derivative instruments – current	–	3,219	–
Derivative instruments – non-current	–	–	–
Financial assets	**1,007**	**3,219**	–
Derivative instruments – current	–	19,869	–
Derivative instruments – non-current	–	–	562
Financial liabilities	**–**	**19,869**	**562**

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

23. MANAGEMENT OF FINANCIAL RISK

The Corporation's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, foreign exchange risk, commodity price risk and interest rate risk.

a) Credit risk

The exposure to credit risk arises through the failure of a customer or another third party to meet its contractual obligations to the Corporation. The Corporation believes that its maximum exposure to credit risk as at December 31, 2024, is the carrying value of its trade receivables. The Group's policy is to limit credit risk by limiting the counterparties to major oil and gas companies. Where it is determined that there is a credit risk for oil and gas sales, the policy is to require an irrevocable letter of credit for the full value of the sale. The policy on joint operation parties is to rely on the provisions of the underlying joint operating agreements to take possession of the licence or the partner's share of production for non-payment of cash calls or other amounts due.

As at December 31, 2024, the trade receivables amounted to USD 94,265 thousand and there is no recent history of default. The expected credit loss associated with these receivables is not significant. Cash and cash equivalents are maintained with banks having strong long-term credit ratings.

b) Liquidity risk

Liquidity risk is defined as the risk that the Group could not be able to settle or meet its obligations on time or at a reasonable price. Corporation treasury is responsible for liquidity, funding as well as settlement management. The Corporation has in place a planning and forecasting process to help determine the funds required to support the Corporation's normal operating requirements on an ongoing basis. The Corporation ensures that there is sufficient available capital to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents, including bond proceeds. The Corporation has credit facilities in place to assist with meeting its cash flow needs as required (Note 18).

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Loan repayments are made upon a net present value calculation of the assets' future cash flows. No loan repayments are currently forecast under this calculation.

USD Thousands	December 31, 2024	December 31, 2023
Non-current		
Repayment within 1- 5 years:		
- Bank loans	1,719	5,442
- Bonds[1]	443,407	440,288
	445,126	445,730
Current		
Repayment within 12 months:		
- Bank loans	3,402	3,589
Payment within 6 months:		
- Trade payables	42,634	42,761
- Joint operation creditors	11,671	22,257
- Other current liabilities	2,750	4,941
- Current tax liabilities	1,146	255
	61,603	73,803

[1] *The bonds redeemable value at maturity in February 2027 is USD 450 million.*

c) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currencies, primarily with respect to EUR and CAD. The Group's risk management objective is to manage cash flow risk related to foreign denominated cash flows. The Corporation is exposed to currency risk related to changes in rates of exchange between foreign denominated balances and the functional currencies of the Group's principal operating subsidiaries. The Group's revenues are denominated in US dollars, while most of its operating and capital expenditures are denominated in the local currencies. A significant change in the currency exchange rates between the US dollar and foreign currencies could have a material effect on the Group's net earnings and on other comprehensive income.

The Group entered into currency hedges to purchase :
(i) a total CAD 520 million for the period January 2025 to December 2025 at an average rate of CAD 1.36 (sell USD);
(ii) a total EUR 27 million for the period January 2025 to December 2025 at an average rate of EUR 1.07 (sell USD);
(iii) a total MYR 138 million for the period January 2025 to December 2025 at an average rate of MYR 4.40 (sell USD).

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

The outstanding derivative instruments can be specified as follows:

Fair value of outstanding derivative instruments in the balance sheet

	December 31, 2024		December 31, 2023	
USD Thousands	Assets	Liabilities	Assets	Liabilities
Currency hedge - CAD	–	19,030	13,644	1,328
Currency hedge - EUR	–	557	–	–
Currency hedge - MYR	–	282	618	–
Total	–	**19,869**	14,262	1,328
Non-current	–	–	7,049	61
Current	–	19,869	7,213	1,267
Total	–	**19,869**	14,262	1,328

The following tables summarize the effects that changes in currencies against the US Dollar would have on gross profit through the conversion of the income statements of the Group's subsidiaries from functional currency to the presentation currency US Dollar for the years ended at December 31, 2024 and 2023.

Shift of currency exchange rates USD Thousands	Average rate 2024	USD weakening 10%	USD strengthening 10%
Gross profit in the financial statements		210,171	210,171
EUR/USD	0.9241	0.8401	1.0170
CAD/USD	1.3698	1.2453	1.5068
Total effect on gross profit		**17,054**	**(17,054)**

Shift of currency exchange rates USD Thousands	Average rate 2023	USD weakening 10%	USD strengthening 10%
Gross profit in the financial statements		250,514	250,514
EUR/USD	0.9246	0.8405	1.0170
CAD/USD	1.3496	1.2269	1.4846
Total effect on gross profit		20,700	(20,700)

d) Commodity price risk

The Group is subject to price risk associated with fluctuations in the market prices for oil and gas. Prices of oil and gas are affected by the normal economic drivers of supply and demand as well as the financial investors and market uncertainty. Factors that influence these include operational decisions, natural disasters, economic conditions, political instability or conflicts or actions by major oil exporting countries. Price fluctuations can affect the Corporation's financial position.

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in the price of oil and natural gas. Commodity prices are impacted by world economic events that affect supply and demand, which are generally beyond the Group's control. Changes in crude oil prices may significantly affect the Corporation's results of operations, cash generated from operating activities, capital spending and the Corporation's ability to meet its obligations. The majority of the Corporation's production is sold under short-term contracts; consequently the Group is at risk to near term price movements. The Corporation manages this risk by constantly monitoring commodity prices and factoring them into operational decisions, such as contracting or expanding its capital expenditures program.

The Corporation enters into certain risk management contracts in order to manage the exposure to market risks from fluctuations in commodity prices. These risk management contracts are not used for trading or speculative purposes. The Corporation has designated its risk management contracts as effective accounting hedges, and thus has applied hedge accounting. As a result, all risk management contracts are recorded at fair value at each reporting period with the change in fair value being recognized on the statement of comprehensive income.

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

Period	Volume (barrels per day)	Type	Average Pricing
January 1, 2025 - December 31, 2025	11,700	WTI/WCS Differential	USD -14.26/bbl
January 1, 2025 - March 31, 2025	5,000	WTI Sale Swap	USD 70.00/bbl
April 1, 2025 - June 30, 2025	2,500	WTI Sale Swap	USD 70.00/bbl

The Group had gas price sale financial hedges outstanding as at December, 2024 which are summarized as follows:

Period	Volume (Gigajoules (GJ) per day))	Type	Average Pricing
January 1, 2025 - December 31, 2025	10,000	AECO Swap	CAD 2.500/GJ

The Group had electricity financial hedges outstanding as at December 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

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

The outstanding derivative instruments can be specified as follows:

Fair value of outstanding derivative instruments in the balance sheet:

	December 31, 2024		December 31, 2023	
USD Thousands	Assets	Liabilities	Assets	Liabilities
Oil price hedge	1,949		28,291	
Gas price hedge	1,270	–	–	–
Electricity price hedge	–	562	–	202
Total	**3,219**	**562**	28,291	202
Non-current	–	562	–	202
Current	3,219	–	28,291	–
Total	**3,219**	**562**	28,291	202

The table below summarizes the effect that a change in the oil and gas price would have had on the net result at December 31, 2024 and 2023:

2024 net result (USD Thousands)	102,219	102,219
Possible shift (%)	(10%)	10%
Total effect on net result (USD Thousands)	**(65,653)**	**65,653**

2023 net result (USD Thousands)	172,979	172,979
Possible shift (%)	(10%)	10%
Total effect on net result (USD Thousands)	(60,010)	60,010

e) Interest rate risk

The Group's exposure to interest rate risk arises from the interest rate impact on its debt facilities. As at December 31, 2024, the Group's long-term debt is mainly comprised of a fixed coupon rate of 7.25%. As such, changes in the interest rate will not have a significant adverse impact on interest expense.

24. MANAGEMENT OF CAPITAL RISK

The objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to meet its committed work program requirements in order to create shareholder value. The Corporation may put in place new credit facilities, repay debt, or other such restructuring activities as appropriate. Management continuously monitors and manages the capital and liquidity position in order to assess the requirement for changes to the capital structure to meet the objectives and to maintain flexibility.

No significant changes were made in the objectives, policies or procedures during the year ended December 31, 2024 or in the comparative years.

Through the ongoing management of its capital, the Corporation will modify the structure of its capital based on changing economic conditions in the jurisdictions in which it operates. In doing so, the Corporation may issue new shares or debt, buy back issued shares, or pay off any outstanding debt.

25. SALARY AND OTHER COMPENSATION EXPENSES

a) Employee compensation expenses

The following table provides a breakdown of gross salaries, short-term benefits, share-based compensation and other compensation expenses included in the consolidated statement of comprehensive income:

USD Thousands	2024	2023
Salaries, bonuses and other short-term benefits	53,370	57,280
Security social costs	6,988	7,100
Share-based incentive plans[1]	8,539	11,690
	68,897	76,070

[1] Vested during the year and based on IFRS 2 valuation (see Note 17)

b) Remuneration of Directors and Senior Management

Remuneration of Directors and Senior Management includes all amounts earned and awarded to the Group's Board of Directors and Senior Management. Senior Management includes the Group's President and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, General Counsel and Corporate Secretary, Senior Vice President Corporate Planning and Investor Relations, Senior Vice President Canada, Vice President Asset Management and Corporate Planning Canada, and Vice President Commercial Canada.

Directors' fees include Board and Committee fees. Senior Management's remuneration includes salary, short-term benefits, bonuses and any other compensation earned is as follows:

USD Thousands	2024	2023
Directors' fees	900	665
Senior Management's salaries, bonuses and other short-term benefits	6,196	8,198
Share-based incentive plans paid to Senior Management	15,155	7,933
	22,251	16,796

26. 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 December 31, 2024:

CAD Millions	2025	2026	2027	2028	2029	Thereafter
Transportation service[1]	33.3	60.6	89.2	92.8	96.7	1,391.6
Power[2]	14.5	12.4	12.4	9.8	–	–
Total commitments	**47.8**	**73.0**	**101.6**	**102.6**	**96.7**	**1,391.6**

[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 January 1, 2025 to December 31, 2028, an additional 5MWh at a weighted average price of CAD 58.31/MWh from January 1, 2025 to December 31, 2027, and an additional 5MWh at a weighted average price of CAD 46.85/MWh from January 1, 2025 to December 31, 2025.

27. RELATED PARTIES

During the year 2024, the Group paid USD 444 thousand to the Lundin Foundation in respect of sustainability advisory services provided to the Group and USD 834 thousand to Orrön Energy in respect of office space rental.

During the year 2024, Orrön Energy and ShaMaran Petroleum Corp. paid respectively USD 546 thousand and USD 186 thousand to the Group in respect of support services provided during the year 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.

28. SUBSEQUENT EVENTS

In January 2025, the Group entered into the following oil price sale financial hedges:

Period	Volume (barrels per day)	Type	Average Pricing
January 1, 2025 - January 31, 2025	2,000	WTI Sale Swap	USD 72.00/bbl
February 1, 2025 - March 31, 2025	5,000	WTI Sale Swap	USD 72.60/bbl
April 1, 2025 - June 30, 2025	7,500	WTI Sale Swap	USD 71.73/bbl
July 1, 2025 - December 31, 2025	10,000	WTI Sale Swap	USD 71.30/bbl
January 1, 2025 - January 31, 2025	1,000	Brent Sale Swap	USD 75.00/bbl
February 1, 2025 - December 31, 2025	2,000	Brent Sale Swap	USD 75.78/bbl

No other events have occurred since December 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
Web: international-petroleum.com