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International Petroleum Corporation Announces Terms of Substantial Issuer Bid

International Petroleum Corporation (IPC or the Corporation) (TSX, Nasdaq Stockholm: IPCO) is pleased to announce the terms of its substantial issuer bid (the Offer) to purchase for cancellation up to CDN\$128 million (equivalent to approximately US\$100 million and SEK 990 million) of its common shares (Shares), commencing on May 16, 2022 and expiring at 5:00 p.m. (Eastern Standard Time) on June 28, 2022, unless varied or withdrawn. For shareholders who hold Shares directly or indirectly through the Swedish central securities depository system maintained by Euroclear Sweden AB (Euroclear), the Offer will expire at 5:00 p.m. (Central European Time) on June 20, 2022, unless the Offer is varied or withdrawn.

The Offer by IPC is being made by way of "modified Dutch Auction", which will allow shareholders who choose to participate in the Offer to select a price of not more than CDN\$14.00 (equivalent to approximately SEK 108.2) per Share and not less than CDN\$12.00 (equivalent to approximately SEK 92.7) per Share (in increments of CDN\$0.20 (equivalent to approximately SEK 1.55)) at which they are willing to tender all or part of their Shares to the Offer. Upon expiry of the Offer, IPC will determine the lowest purchase price per Share that will enable it to purchase the maximum number of Shares tendered to the Offer, having an aggregate purchase price not exceeding CDN\$128 million. The purchase price under the Offer will be denominated in Canadian dollars and IPC's obligation to make payment of amounts owing to a depositing shareholder whose Shares are taken up will be made in Canadian dollars.

Shareholders who wish to participate in the Offer will be able to do so through: (i) auction tenders, in which they specify the number of Shares being tendered at a specific price per Share; or (ii) purchase price tenders, in which they agree to have a specified number of Shares purchased at the purchase price to be determined pursuant to the Offer. Shareholders who validly deposit Shares without specifying the method in which they are tendering their Shares will be deemed to have made a purchase price tender.

If Shares with an aggregate purchase price of more than CDN\$128 million are tendered, IPC will purchase the Shares on a *pro rata* basis. All Shares tendered at or below the finally determined purchase price will be purchased, subject to proration, at the same purchase price determined pursuant to the terms of the Offer. All deposited Shares not purchased, including all Shares deposited pursuant to auction tenders at prices in excess of the purchase price, will be returned to shareholders.

The Offer is not conditional upon any minimum number of Shares being tendered. The Corporation expects to fund any purchases of Shares pursuant to the Offer, including related fees and expenses, using the Corporation's available cash on hand.

At the minimum and maximum of the pricing range of CDN\$12.00 to CDN\$14.00, the Offer will be for up to between 10.7 million Shares (approximately 7.1% of Shares currently outstanding) and 9.1 million Shares (approximately 6.1% of Shares currently outstanding), respectively. As of May 12, 2022, 150,966,013 common shares of IPC are issued and outstanding and IPC holds no common shares in treasury.

Nemesia S.à.r.l. (Nemesia), an investment company wholly owned by a Lundin family trust, has informed IPC that it does not intend to participate in the Offer. Nemesia beneficially owns, directly or indirectly, or exercises control or direction over, 40,697,533 Shares, representing approximately 27% of the current issued and outstanding Shares.

Shareholders who hold Shares directly or indirectly through Euroclear will receive a corresponding amount in Swedish Krona to the purchase price in Canadian dollars, less an amount on account of Canadian withholding taxes. The corresponding amount in Swedish Krona for the purchase price will be determined at a date promptly following completion of the Offer, as determined by Pareto Securities AB (the Swedish Manager) based on the available market rate on the date the purchase price is converted from Canadian dollars to Swedish Krona. The risk of any fluctuations in such foreign exchange rate, including risks relating to the particular date and time at which funds are converted, will be borne solely by the tendering shareholders who hold Shares directly or indirectly through Euroclear.

All shareholders who sell Shares under the Offer are generally expected to realize deemed dividends for purposes of the *Income Tax Act* (Canada). The amount of any such deemed dividend received by shareholders who hold Shares directly or indirectly through Euroclear will be subject to Canadian withholding tax at a rate of 25%, irrespective of (i) where such shareholder is resident for tax purposes; and (ii) whether such shareholder is entitled to the benefits of an applicable income tax treaty or convention. The amount of any such deemed dividend received by a shareholder who is a non-resident of Canada and who does not hold Shares directly or indirectly through Euroclear will be subject to Canadian withholding tax at a rate of 25% or such lower rate as may be substantiated under the terms of an applicable income tax treaty or convention. Shareholders are urged to evaluate carefully all information in the Offer Documents (as defined below) and consult their own financial, legal, investment, tax and other professional advisors in respect of the Offer.

The Offer allows the Corporation an opportunity to return up to CDN\$128 million of capital to shareholders who elect to tender, while at the same time increasing the proportionate Share ownership of shareholders who elect not to tender to the Offer. The Offer is not expected to restrict the Corporation from pursuing further business and strategic opportunities.

The closing price of the Shares on May 2, 2022 (the last full trading day before IPC announced its intention to make the Offer) on the Toronto Stock Exchange (TSX) and Nasdaq Stockholm in Sweden (Nasdaq Stockholm) was CDN\$12.28 and SEK 92.65, respectively. Further, the closing price of the Shares on May 10, 2022 (the last full trading day before the date of the Offer Documents) on the TSX and the Nasdaq Stockholm was CDN\$11.78 and SEK 91.70, respectively. During the six months ended May 10, 2022: (i) the closing price of the Shares on the TSX has ranged from a low of CDN\$6.32 to a high of CDN\$13.15 per Share; and (ii) the closing price of the Shares on Nasdaq Stockholm has ranged from a low of SEK 43.8 to a high of SEK 100.0 per Share.

Details of the Offer, including instructions for tendering Shares, will be included in the formal offer to purchase and issuer bid circular, letter of transmittal, notice of guaranteed delivery and other documents relating to the Offer (collectively, the Offer Documents). The formal offer to purchase and issuer bid circular, letter of transmittal and notice of guaranteed delivery are expected to be mailed to shareholders, filed with the applicable Canadian securities regulatory authorities and made available, without charge, on SEDAR at www.sedar.com and the Corporation's website at www.international-petroleum.com, on or about May 16, 2022. The Offer Documents will also be made available, without charge, on the Corporation's website at www.international-petroleum.com on or about May 16, 2022.

IPC has engaged BMO Nesbitt Burns Inc. (the Canadian Dealer Manager) to serve as financial advisor and the Canadian dealer manager for the Offer and Pareto Securities AB (the Swedish Manager) to act as the Swedish manager for the Offer. IPC has also engaged Computershare Investor Services Inc. (the Canadian Depository) to act as the Canadian depository for the Offer and Aktieinvest FK AB (the Swedish Issuing Agent) as issuing agent in Sweden.

There will also be available a separate tender form for shareholders holding Shares through Euroclear and a short form Swedish information brochure regarding the Offer for informational purposes. These can be obtained by contacting the Swedish Issuing Agent. Shareholders holding Shares through Euroclear should direct any questions or requests for information regarding the Offer to the Swedish Issuing Agent. Non-Euroclear shareholders should direct any such questions or requests for information to the Canadian Depository or the Canadian Dealer Manager. The contact information for the Canadian Depository, the Swedish Manager and the Canadian Dealer Manager are set forth in the Offer Documents.

The information relating to the Offer contained in this press release is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell Shares. The solicitation and the offer to buy Shares pursuant to the Offer will only be made pursuant to the Offer Documents that are filed with the applicable Canadian securities regulatory authorities. The Offer will not be made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making or acceptance of offers to sell Shares would not be in compliance with the laws of that jurisdiction. None of IPC, its Board of Directors or its advisors, including the Canadian Dealer Manager, the Swedish Manager or the Depositary, makes any recommendation to shareholders as to whether to tender or refrain from tendering any or all of their Shares to the Offer or the purchase price or prices at which shareholders may choose to tender Shares. Shareholders are urged to carefully review and evaluate all information provided in the Offer Documents, to consult with their own tax, financial, legal, investment and other professional advisors and to make their own decisions as to whether to deposit Shares under the Offer and, if so, how many Shares to deposit and the price or prices at which to deposit.

International Petroleum Corp. (IPC) is an international oil and gas exploration and production company with a high quality portfolio of assets located in Canada, Malaysia and France, providing a solid foundation for organic and inorganic growth. IPC is a member of the Lundin Group of Companies. IPC is incorporated in Canada and IPC's shares are listed on the Toronto Stock Exchange (TSX) and the Nasdaq Stockholm exchange under the symbol "IPCO".

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The information was submitted for publication, through the contact persons set out above, at 07:30 (Central European Summer Time) on May 12, 2022.

Important Information

The Offer described in this press release is not being made to persons whose participation in the Offer (i) requires additional disclosure of information or registration or other measures in addition to those required under applicable Swedish, U.S. or Canadian laws or (ii) would result in a breach of applicable law or regulation. It is the duty of each person to observe restrictions resulting from foreign laws. This press release, the Offer Documents and any other documentation relating to the Offer are not being distributed and must not be mailed or otherwise distributed or sent in or into any country in which such distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

This press release is not a prospectus or an offer document (Sw. *erbjudandehandling*) in accordance with Swedish take-over rules and regulations. The Offer described in this press release does not constitute a take-over offer.

Forward-Looking Statements

This press release contains statements and information which constitute "forward-looking statements" or "forward-looking information" (within the meaning of applicable securities laws). Such statements and information (together, forward-looking statements) relate to future events, including the Corporation's future performance, business prospects or opportunities and events relating to the Offer. Actual results may differ materially from those expressed or implied by forward-looking statements. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement. Forward-looking statements speak only as of the date of this press release, unless otherwise indicated. IPC does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws.

All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, forecasts, guidance, budgets, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "forecast", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "budget" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements include, but are not limited to, statements with respect to: the terms the Offer; including the price range and number of the Shares IPC may purchase under the Offer; the commencement, timing and completion of the Offer; the sources and availability of funding for the Offer and the Corporation continuing to have sufficient financial resources and working capital to conduct its ongoing business and operations and to pursue its foreseeable or planned business, future strategic direction and capital allocation priorities.

The forward-looking statements are based on certain key expectations and assumptions made by IPC, including expectations and assumptions concerning: the level of shareholder participation in the Offer; the conditions to the Offer being satisfied or waived in a timely manner; prevailing commodity prices and currency exchange rates; applicable royalty rates and tax laws; interest rates; future well production rates and reserve and contingent resource volumes; operating costs; the timing of receipt of regulatory approvals; the performance of existing wells; the success obtained in drilling new wells; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the successful completion of acquisitions and dispositions; the benefits of acquisitions; the state of the political environment, economy and the exploration and production business in the jurisdictions in which IPC operates and globally; the availability and cost of financing, labour and services; and the ability to market crude oil, natural gas and natural gas liquids successfully.

Although IPC believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because IPC can give no assurances that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: shareholders may not participate in the Offer to the extent anticipated by IPC, or at all; the conditions to the Offer may not be satisfied or waived in a timely manner, or at all; the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, resources, production, revenues, costs and expenses; health, safety and environmental risks; commodity price fluctuations; interest rate and exchange rate fluctuations; marketing and transportation; loss of markets; environmental and climate-related risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; the ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; and changes in

legislation, including but not limited to tax laws, royalties and environmental and abandonment regulations. Readers are cautioned that the foregoing list of factors is not exhaustive.

Additional information on these and other factors that could affect IPC, or its operations or financial results, are included in IPC's annual information form for the year ended December 31, 2021 under the heading "Risk Factors", in IPC's management's discussion and analysis for the three months ended March 31, 2022 under the heading "Risk and Uncertainties", in IPC's management's discussion and analysis for the year ended December 31, 2021 under the heading "Risk and Uncertainties" and in the other reports on file with applicable securities regulatory authorities, including previous financial reports, management's discussion and analysis and annual information forms, which may be accessed through SEDAR at www.sedar.com or IPC's website at www.international-petroleum.com.