Press Release

October 10, 2018

INTERNATIONAL PETROLEUM CORP. TO ACQUIRE BLACKPEARL RESOURCES INC. IN STRATEGIC BUSINESS COMBINATION OF HIGH QUALITY, LONG LIFE PRODUCING ASSETS AND EXCITING ORGANIC GROWTH OPPORTUNITIES

International Petroleum Corp. ("IPC") (TSX, Nasdaq Stockholm: IPCO) and BlackPearl Resources Inc. ("BlackPearl") (TSX: PXX, Nasdaq Stockholm: PXXS) are pleased to announce that they have entered into an agreement under which IPC will acquire all of the shares of BlackPearl based upon a share exchange ratio of 0.22 shares of IPC for each BlackPearl share (the "Transaction"). Based upon a volume weighted average price (VWAP) of the IPC Shares for the last thirty days, this represents an acquisition price of CAD 1.85 per BlackPearl share representing a premium of 42% to the closing price of the BlackPearl Shares on October 9, 2018 or a premium of 49% to the VWAP of the BlackPearl Shares for the last 30 days. The acquisition remains subject to shareholder approvals of both IPC and BlackPearl and certain regulatory approvals, with completion expected in December 2018.

Mike Nicholson, Chief Executive Officer of IPC comments: "With the completion of this transformational acquisition, IPC will more than double its total 2P reserves, with an increased oil weighting up from 42% to 74%. Total 2P reserves and contingent resources of IPC increase close to six times. IPC's 2P reserves life is increased by seven years and daily average net production is expected to increase by more than 50% in the years ahead compared to IPC today. We also welcome the addition of a high calibre team of BlackPearl management and operational professionals with a long track record of value creation, to complement the existing IPC team."

John Festival, Chief Executive Officer of BlackPearl comments: "This transaction will be very beneficial to the BlackPearl shareholders, who will gain an immediate material increase in value from the offered premium as well as exposure to the free cash flow of IPC's diversified asset base while retaining the upside exposure to BlackPearl's quality resource base. The combined company will have the financial strength to potentially accelerate development of BlackPearl's exciting growth projects. I am very pleased to be joining the Board of Directors of IPC and look forward to adding strategic input to IPC going forward."

Lukas H. Lundin, Chairman of IPC comments: "I am very excited about the future of IPC as the leading oil and gas growth company in the Lundin Group. IPC's strategy is to maximize the value of the current asset base and, at the same time, seek to use its financial strength to acquire strategic oil and gas assets. This is exactly the right time in the resource cycle to be pursuing this strategy. The acquisition by IPC of BlackPearl takes the resource base above 1 billion barrels and is another big step in delivering that strategy. The Lundin family is fully committed to remain as a major shareholder of IPC into the future."

Summary of the Combination: IPC Post-Transaction

Enterprise Value	
Equity Value (1)	USD 1.01 billion
Net Debt (2, 3)	USD 348 million

Enterprise Value	USD 1.36 billion
Common Shares Outstanding	approximately 164 million
First Half 2018 Production	
Production (3)	44,500 barrels of oil equivalent per day (boepd)
Oil and NGLs	61%
Reserves and Resources (4)	
Proved and Probable (2P) Reserves	291.5 million barrels of oil equivalent (MMboe)
Reserves life index	17.6 years
Contingent Resources (Best Estimate)	852.9 MMboe
Net Asset Value (5)	
2P Core NAV	USD 2.43 billion
% discount to 2P Core NAV	58%
Financial (6)	
First Half 2018 Operating Cash Flow	USD 178 million
2018 Capital Expenditure Guidance	USD 120 million

Notes:

(1) Based on the closing price of the IPC Shares of October 9, 2018, converted to USD at current exchange rates.

(2) Non-IFRS Measure. Net debt as at June 30, 2018. See "Non-IFRS Measures" below.

(3) Combined production based on the average production for the first six months of 2018 of approximately 33,900 boepd for IPC and approximately 10,600 boepd for BlackPearl.

(4) See "Disclosure of Oil and Gas Information" below. Reserve estimates, contingent resource estimates, prospective resource estimates and estimates of future net revenue in respect of IPC's oil and gas assets in France, Malaysia and the Netherlands are effective as of December 31, 2017 and were prepared by IPC and audited by ERC Equipoise Ltd. (ERCE), an independent qualified reserves auditor, in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (NI 51-101) and the Canadian Oil and Gas Evaluation Handbook (the COGE Handbook), and using McDaniel's January 1, 2018 price forecasts as referred to below. Reserves estimates, contingent resource estimates and estimates of future net revenue in respect of IPC's oil and gas assets in Canada are effective as of January 5, 2018, being the completion date for the acquisition of these assets by IPC, and were evaluated by McDaniel & Associates Consultants Ltd. (McDaniel), an independent qualified reserves evaluator, in accordance with NI 51-101 and the COGE Handbook, and using McDaniel's January 1, 2018 price forecasts. The volumes are reported and aggregated by IPC in this press release as being as at December 31, 2017. Reserves estimates, contingent resource estimates and estimates of future net revenue in respect of BlackPearl's oil and gas assets were evaluated by Sproule Associates Limited (Sproule) in a report prepared by Sproule dated January 18, 2018 evaluating the oil and gas reserves attributable to BlackPearl's properties as at December 31, 2017 and the contingent resource reports prepared by Sproule dated January 17, 2018 for the Blackrod, Onion Lake and Mooney properties as at December 31, 2017.

Reserves life index is based on the 2P Reserves as at December 31, 2017 and estimated average combined production for 2018 based on the mid-point guidance of IPC and BlackPearl, being 45,250 boepd.

(5) Net present value (NPV) of future net revenue is after tax, discounted at 8% and based upon the McDaniel's January 1, 2018 price forecasts in respect of the IPC assets and Sproule's January 1, 2018 price forecasts in respect of the BlackPearl assets. 2P Core net asset value (NAV) is calculated as NPV less net debt as at January 1, 2018. The percent discount to 2P Core NAV is the discount of the Equity Value relative to the 2P Core NAV.

(6) Non-IFRS measure. See "Non-IFRS Measures" below.

The Transaction

IPC and BlackPearl have entered into an agreement (the "Arrangement Agreement") to effect the Transaction by way of a plan of arrangement of BlackPearl under the *Canada Business Corporations Act*. The Transaction will result in holders of common shares of BlackPearl ("BlackPearl Shares") receiving, directly or indirectly, 0.22 common shares of IPC ("IPC Shares") for each BlackPearl Share owned. The exchange ratio represents an acquisition price of CAD 1.85 per BlackPearl Share based on a thirty day VWAP of the IPC Shares prior to the date of Arrangement Agreement. This represents a premium of 42% to the closing price of the BlackPearl Shares on October 9, 2018 or a premium of 49% to the VWAP of the BlackPearl Shares for the last 30 days. Under the Arrangement Agreement, no fractional IPC Shares will be issued and any fractional entitlements to IPC Shares will be rounded.

Under the Arrangement Agreement, IPC will issue approximately 76 million IPC Shares to the holders of BlackPearl Shares on a fully diluted basis, resulting in IPC having approximately 164 million IPC Shares outstanding at completion of the Transaction. Entities related to the Lundin family will continue to be the largest shareholder of IPC with approximately 24% of the then outstanding IPC Shares.

The board of directors of IPC (the "IPC Board") and the board of directors of BlackPearl (the "BlackPearl Board") have unanimously approved the Transaction, following the recommendations made by special committees of independent directors of the respective Boards. The Transaction is subject to approval by the shareholders of both companies, the Court of Queen's Bench of Alberta, stock exchange approvals and approvals by certain regulatory and other authorities (including that a prospectus in Sweden prepared by IPC is approved and registered by the Swedish Financial Supervisory Authority (the "SFSA")), and is subject to the satisfaction or waiver of other customary closing conditions. The Transaction is anticipated to close in December 2018.

On completion of the Transaction, Chris Hogue, current Vice President Operations of BlackPearl, will become the Senior Vice-President, Canada for IPC. Ed Sobel, current Vice President Exploration of BlackPearl, will become the Vice President, Exploration of IPC. Chris and Ed will be based in Calgary, Alberta. John Festival, a Director and the Chief Executive Officer of BlackPearl, will join the IPC Board following completion of the Transaction. No other changes are proposed to the IPC Board or senior management in connection with the Transaction.

Strategic Rationale

The Transaction is consistent with IPC management's strategy for IPC to be a leading independent oil and gas company focused on production of high quality assets in stable jurisdictions around the world and generating long term value for all its stakeholders.

Stable Long-Term Production: IPC will have forecast average combined production of approximately 45,250 boepd for 2018, based on the mid-point guidance of IPC and BlackPearl, across a diverse set of oil and gas assets in Canada (Alberta and Saskatchewan), Malaysia, France and The Netherlands. Production will be comprised of approximately 61% liquids (21% light oil and condensate, 40% heavy oil) and 39% natural gas. By geography, production will be weighted approximately 78% from Canada, 15% from Malaysia and 7% from France and The Netherlands.

Strong Reserves and Resources: IPC will have combined gross 2P reserves as at December 31, 2017 of 291.5 MMboe and best estimate contingent resources as at December 31, 2017 of 852.9 MMboe. IPC's reserves life index will be approximately 17.6 years on a 2P basis.

Organic Growth Opportunities: IPC will have a deep inventory of high quality drilling prospects and identified future development projects, with the potential to generate positive returns and deliver organic production and reserves growth.

Strong Balance Sheet: IPC will have strong financial liquidity from the cash flows generated by its operations throughout the world, as well as continued access to unutilized amounts under credit facilities to accelerate investment in the combined company's growth projects.

Ability to Optimize Capital Allocation: IPC will have a diverse portfolio of assets in Canada, Malaysia and Europe, allowing it to high grade investment opportunities from the enlarged portfolio and achieve attractive returns for shareholders.

Strong Management and Board: IPC plans to continue with its existing Board and management, complemented by the addition of BlackPearl management representatives both at the IPC Board level and in local and senior management. The two combined organizations have substantial local knowledge and operating capabilities.

Increased Scale and Expanded Investor Base: IPC is expected to have a market capitalization of approximately USD 1 billion on closing of the Transaction, allowing IPC to access a greater universe of institutional and retail investors on both the Toronto Stock Exchange and the Nasdaq Stockholm. IPC's current dual stock exchange listing and its significant access to a European investor base, combined with BlackPearl's North American investors, could benefit all shareholders in the combined IPC going forward in terms of improved liquidity and market attention.

<u>IPC and BlackPearl Asset Summary</u>

IPC will acquire the Canadian asset base of BlackPearl to combine with IPC's existing Canadian and international assets. These assets include the following:

Onion Lake –Saskatchewan, Canada

BlackPearl's Onion Lake property is made up of a 12,000 boepd heavy oil thermal project with reserve life of over 20 years. BlackPearl owns 100% of the thermal project and is the operator. In addition, BlackPearl, with its working interest partner, the Onion Lake Cree Nation, produce 2,000 boepd of conventional heavy oil.

The first 6,000 boepd phase of the Onion Lake thermal project commenced commercial production in 2015. The second 6,000 boepd phase commenced steam injection during the first quarter of 2018 and reached name-plate capacity of 12,000 boepd in late September. Total cost of the expansion was CAD 175 million, which is just under CAD 30,000 per flowing barrel, a top tier industry metric. During the second quarter of

2018, BlackPearl also started construction of the first sustaining well pad and related facilities for the first phase which is expected to be completed by the end of the year.

During the third quarter of 2018, BlackPearl began work on a facility optimization program of the first phase steam facilities. This optimization work is expected to allow an increase in thermal production by up to an additional 2,000 boepd and is expected to cost approximately CAD 15 million, representing an industry leading development capital of CAD 7,500 per flowing barrel. This program is expected to be completed in the first half of 2019 and BlackPearl anticipates it will take approximately nine to twelve months after completion to reach the increased production target.

Suffield Area – Alberta, Canada

IPC acquired its interest in the Suffield Area oil and gas assets in January 2018. These assets are situated in southeast Alberta and are operated by IPC. The oil assets are 100% working interest and gas assets are 99.6% working interest.

The Suffield Area oil and gas assets are held over a large, contiguous land position of 800,000 net acres of shallow natural gas rights and 100,000 net acres of oil rights in southeast Alberta. These producing fields have future development potential from a combination of low risk development drilling, well stimulation and enhanced oil recovery (EOR) opportunities, which had not been undertaken for a number of years due to the previous owner's capital allocation priorities.

Bertam Field – Malaysia

IPC's production and reserves in Malaysia come from the Bertam oil field located offshore Peninsular Malaysia. The Bertam field has been on production since April 2015. IPC is the operator of Block PM307 with a 75% working interest, with Petronas Carigali Sdn Bhd holding the remaining 25%. Production from IPC's oil and gas assets in Malaysia is light, high quality oil. A number of future infill drilling locations and near field exploration targets have been identified.

Paris Basin and Aquitaine Basin – France

IPC's oil and gas assets in France are comprised of two main operating basins, the Paris Basin, which is operated by IPC, and the Aquitaine Basin, which is operated by Vermilion Energy. Both basins are characterized by a high number of wells with low production decline rates. Production from IPC's oil and gas assets in in France is light, high quality oil. IPC is maturing the development of its two biggest fields in the Paris Basin: the Vert La Gravelle field as well as the western flank of the Villeperdue field.

Blackrod SAGD Project – Alberta, Canada

BlackPearl has received regulatory approval for an 80,000 boepd SAGD (steam-assisted-gravity-drainage) oil sands project at Blackrod. The delineated resource contains over 600 million boe of best estimate contingent resource which represents over a 20 year reserve life index at 80,000 boepd. For the last 5 years, BlackPearl has operated a successful SAGD pilot at Blackrod which has validated both commercial production rates and a corresponding steam oil ratio.

Recommendations of the BlackPearl Board and the IPC Board

Based on the unanimous recommendation from a special committee comprised of independent directors of BlackPearl (the "BlackPearl Special Committee"), the BlackPearl Board has unanimously approved the Transaction, determined that the Transaction is in the best interests of BlackPearl and the holders of

BlackPearl Shares, and has recommended that the holders of BlackPearl Shares vote in favour of the Transaction. GMP FirstEnergy has provided the BlackPearl Special Committee with its verbal opinion that, subject to its review of the final form of documents effecting the Transaction, the consideration to be received by holders of BlackPearl Shares pursuant to the terms of the Arrangement Agreement is fair, from a financial point of view, to BlackPearl shareholders.

All of the directors and officers of BlackPearl, as well as entities related to the Lundin family and Burgundy Asset Management Ltd., together representing approximately 40% of the total BlackPearl Shares, have entered into agreements with IPC pursuant to which they have agreed to vote their BlackPearl Shares in favour of the Transaction.

Based on the unanimous recommendation from a special committee comprised of independent directors of IPC (the "IPC Special Committee"), the IPC Board has unanimously approved the Transaction, determined that the Transaction is in the best interests of IPC, and has recommended that the holders of IPC Shares vote in favour of the issuance of IPC Shares pursuant to the Transaction. Paradigm Capital Inc. ("Paradigm Capital") has provided the IPC Special Committee with its written opinion that the exchange ratio pursuant to the Arrangement Agreement is fair, from a financial point of view, to IPC and to the holders of IPC Shares.

All of the directors and officers of IPC as well as an entity related to the Lundin family, together representing approximately 34% of the total IPC Shares, have entered into agreements with BlackPearl pursuant to which they have agreed to vote their IPC Shares in favour of the issuance of IPC Shares in connection with the Transaction.

All of the directors and officers of IPC and all of the officers of BlackPearl, as well as the entities related to the Lundin family, have further agreed not to dispose of any IPC Shares which they currently own or which will be acquired in exchange for BlackPearl Shares in the Transaction (other than BlackPearl Shares acquired under BlackPearl's equity incentive plans), for a period of six months following completion of the Transaction.

Additional Transaction Details

The Transaction requires approval by at least 66⅔% of the votes cast by holders of BlackPearl Shares present in person or represented by proxy at a special meeting of holders of BlackPearl Shares to be called to consider the Transaction and a majority of the votes cast by holders of BlackPearl Shares after excluding the votes cast by those persons whose votes may not be included pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*.

The issuance of the IPC Shares pursuant to the Transaction requires approval by more than 50% of the votes cast by holders of IPC Shares represented in person or by proxy at a special meeting of holders of IPC Shares to be called to consider the issuance of IPC Shares pursuant to the Transaction, as required by the rules of the Toronto Stock Exchange. The Transaction also requires approval by the SFSA of IPC's prospectus in Sweden.

The Arrangement Agreement contemplates that IPC and BlackPearl shareholders will hold their respective shareholder meetings in December 2018. It is expected that a joint management information circular will be sent to the shareholders of each of IPC and BlackPearl in November 2018. Closing of the Transaction is expected to occur in December 2018.

The Arrangement Agreement provides for a non-solicitation covenant by BlackPearl, subject to the fiduciary duty obligations of the BlackPearl Board, and the right of IPC to match any superior proposal received by BlackPearl. The Arrangement Agreement provides for a non-completion fee of CAD 20 million in the event the Transaction is not completed or is terminated by BlackPearl in certain circumstances.

The Arrangement Agreement provides that completion of the Transaction is subject to certain conditions, including the receipt of all required regulatory approvals, final consents from the external lenders of IPC and BlackPearl, the approval of the Toronto Stock Exchange of the listing of the IPC Shares to be issued in connection with the Transaction and the approval of the SFSA of the Swedish prospectus (as described above), the approval of the shareholders of IPC and BlackPearl (as described above), the approval of the Court of Queen's Bench of Alberta and approval under the *Competition Act* (Canada).

Advisors

Paradigm Capital provided a fairness opinion to the IPC Special Committee with respect to the Transaction. Blake, Cassels & Graydon LLP is acting as IPC's Canadian legal advisor and Gernandt & Danielsson Advokatbyrå KB is acting as IPC's Swedish legal advisor.

GMP FirstEnergy is acting as financial advisor to BlackPearl and provided the BlackPearl Special Committee with a fairness opinion with respect to the Transaction. National Bank Financial and AltaCorp Capital are acting as strategic advisors to BlackPearl. Bennett Jones LLP is acting as BlackPearl's legal advisor.

Conference Call: Wednesday October 10, 2018 at 4:00 p.m. CET, 10:00 a.m. EDT, 8:00 a.m. MDT

A conference call will be held today, Wednesday October 10, 2018, starting at 4:00 p.m. CET, 10:00 a.m. EDT, 8:00 a.m. MDT. Mike Nicholson, CEO of IPC, Christophe Nerguararian, CFO of IPC, and John Festival, CEO of BlackPearl, will discuss the Transaction.

Dial in numbers for participants are:

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A presentation related to the Transaction will be available in connection with the conference call on IPC's website at www.international-petroleum.com and BlackPearl's website at www.blackpearlresources.ca.

For further information in respect of IPC, please contact:

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For further information in respect of BlackPearl, please contact:

John Festival President and CEO 403-215-8313	Or	Don Cook Chief Financial Officer 403-215-8313

This information is information that each of International Petroleum Corporation and BlackPearl Resources Inc. is required to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the contact persons set out above, at 08:00 CET on October 10, 2018.

Important Information

This press release is not an offer to sell or a solicitation of any offer to buy any securities issued by IPC or BlackPearl in any jurisdiction where such offer or sale would be unlawful. Copies of this press release are not being made and may not be distributed or sent into any jurisdiction in which such distribution would be unlawful or would require registration or other measures.

In any EEA member state, other than Sweden, that has implemented Directive 2003/71/EC as amended (together with any applicable implementing measures in any member state, the "Prospectus Directive"), this press release is only addressed to and is only directed at qualified investors in that member state within the meaning of the Prospectus Directive.

For Swedish purposes only, any offering of the securities referred to in this press release will be made by means of a prospectus. This press release is not a prospectus for the purposes of the Prospectus Directive. Swedish investors should not base their decision to vote at the shareholders' meetings of IPC and BlackPearl as referred to in this press release except on the basis of information contained in the aforementioned prospectus and/or the joint management information circular referred to above.

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 legislation). Such statements and information (together, "forward-looking statements") relate to future events, including IPC's or BlackPearl's future performance, business prospects or opportunities. 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 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: timing and certainty regarding completion of the Transaction, including fulfilling the conditions precedent to such completion; the ability of IPC to maintain stable long-term production and take advantage of growth and development upside opportunities post-completion of the Transaction; the ability of IPC to integrate the assets and personnel of BlackPearl; any combined market capitalization, production, financial and net asset values figures in respect of IPC post-completion of the Transaction, including reserves and resources; the process for completing the Transaction; the ability of the Parties to obtain necessary approvals and otherwise satisfy the conditions to closing the Transaction; the absence of material events which may interfere with the Transaction being completed; estimates of reserves; estimates of contingent resources; estimates of prospective resources; the ability to generate free cash flows and use that cash to repay debt and to continue to deleverage; and future drilling and other exploration and development activities. Statements relating to "reserves" and "contingent resources" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and that the reserves and resources can be profitably produced in the future. Ultimate recovery of reserves or resources is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

The forward-looking statements are based on certain key expectations and assumptions made by IPC, including expectations and assumptions concerning: 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 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 neither IPC nor BlackPearl can give 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: the risks that the parties will not receive required approvals to complete the Transaction or may not be able to satisfy the conditions to closing; 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 and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental 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 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 (AIF) for the year ended December 31, 2017 (See "Cautionary Statement Regarding Forward-Looking Information", "Reserves and Resources Advisory" and "Risk Factors") and other reports on file with applicable securities regulatory authorities, including previous financial reports, management's discussion and analysis and material change reports, which may be accessed through the SEDAR website (www.sedar.com) or IPC's website (www.international-petroleum.com).

Additional information on these and other factors that could affect BlackPearl, or its operations or financial results, are included in BlackPearl's Annual Information Form (AIF) for the year ended December 31, 2017 (See "Cautionary Statement Regarding Forward-Looking Information", "Reserves and Resources Advisory" and "Risk Factors") and other reports on file with applicable securities regulatory authorities, including previous financial reports, management's discussion and analysis and material change reports, which may be accessed through the SEDAR website (www.sedar.com) or BlackPearl's website (www.blackpearlresources.ca).

Non-IFRS Measures

References are made in this press release to "operating cash flow" (OCF), "operating costs" and "net debt", which are not generally accepted accounting measures under International Financial Reporting Standards (IFRS) and do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with definitions of OCF, operating costs and net debt that may be used by other public companies. Non-IFRS measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Management believes that OCF, operating costs and net debt are useful supplemental measures that may assist shareholders and investors in assessing the cash generated by and the financial performance and position of IPC and BlackPearl. Management also uses non-IFRS measures internally in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess IPC's and BlackPearl's ability to meet its future capital expenditure and working capital requirements. Management believes these non-IFRS measures are important supplemental measures of operating performance because they highlight trends in the core business that may not otherwise be apparent when relying solely on IFRS financial measures.

Management believes such measures allow for assessment of IPC's and BlackPearl's operating performance and financial condition on a basis that is more consistent and comparable between reporting periods. IPC'and BlackPearl' also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers.

The definition of each non-IFRS measure is presented in IPC's MD&A for the six months ended June 30, 2018 (See "Non-IFRS Measures" therein).

Disclosure of Oil and Gas Information

This press release contains references to estimates of gross 2P reserves attributed to IPC's and BlackPearl's oil and gas assets. Gross reserves are the total working interest reserves before the deduction of any royalties and including any royalty interests receivable.

Reserve estimates, contingent resource estimates, prospective resource estimates and estimates of future net revenue in respect of IPC's oil and gas assets in France, Malaysia and the Netherlands are effective as of December 31, 2017 and were prepared by IPC and audited by ERC Equipoise Ltd. (ERCE), an independent qualified reserves auditor, in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (NI 51-101) and the Canadian Oil and Gas Evaluation Handbook (the COGE Handbook), and using McDaniel's January 1, 2018 price forecasts as referred to below.

Reserves estimates, contingent resource estimates and estimates of future net revenue in respect of IPC's oil and gas assets in Canada are effective as of January 5, 2018, being the completion date for the acquisition of these assets by IPC, and were evaluated by McDaniel & Associates Consultants Ltd. (McDaniel), an independent qualified reserves evaluator, in accordance with NI 51-101 and the COGE Handbook, and using McDaniel's January 1, 2018 price forecasts. The volumes are reported and aggregated by IPC in this presentation as being as at December 31, 2017.

The price forecasts used in the reserve audit / evaluation are available on the website of McDaniel (www.mcdan.com), and are contained in IPC's AIF.

Reserves estimates, contingent resource estimates and estimates of future net revenue in respect of BlackPearl's oil and gas assets were evaluated by Sproule Associates Limited (Sproule) in a report prepared by Sproule dated January 18, 2018 evaluating the oil and gas reserves attributable to BlackPearl's properties as at December 31, 2017 and the contingent resource reports prepared by Sproule dated January 17, 2018 for the Blackrod, Onion Lake and Mooney properties as at December 31, 2017.

"2P reserves" means gross proved plus probable reserves. "Proved reserves" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. "Probable reserves" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies are conditions that must be satisfied for a portion of contingent resources to be classified as reserves that are: (a) specific to the project being evaluated; and (b) expected to be resolved within a reasonable timeframe. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent resources are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on a project maturity and/or characterized by their economic status.

There are three classifications of contingent resources: low estimate, best estimate and high estimate. Best estimate is a classification of estimated resources described in the COGE Handbook as being considered to be the best estimate of the quantity that will be actually recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the best estimate.

Contingent resources are further classified based on project maturity. The project maturity subclasses include development pending, development on hold, development unclarified and development not viable. All of IPC's contingent resources are classified as development unclarified. Development unclarified is defined as a contingent resource that requires further appraisal to clarify the potential for development and has been assigned a lower chance of development until contingencies can be clearly defined. Chance of development is the probability of a project being commercially viable. Of IPC's 63.4 MMboe best estimate contingent resources (unrisked), 17.4 MMboe are light and medium crude oil, 7.4 MMboe are heavy crude oil and 38.6 MMboe are conventional natural gas.

References to "unrisked" contingent resources volumes means that the reported volumes of contingent resources have not been risked (or adjusted) based on the chance of commerciality of such resources. In accordance with the COGE Handbook for contingent resources, the chance of commerciality is solely based on the chance of development based on all contingencies required for the re-classification of the contingent resources as reserves being resolved. Therefore unrisked reported volumes of contingent resources do not reflect the risking (or adjustment) of such volumes based on the chance of development of such resources.

The contingent resources reported in this press release are estimates only. The estimates are based upon a number of factors and assumptions each of which contains estimation error which could result in future revisions of the estimates as more technical and commercial information becomes available. The estimation factors include, but are not limited to, the mapped extent of the oil and gas accumulations, geologic characteristics of the reservoirs, and dynamic reservoir performance. There are numerous risks and uncertainties associated with recovery of such resources, including many factors beyond IPC's and BlackPearl's control. There is uncertainty that it will be commercially viable to produce any portion of the contingent resources referred to in this press release.

2P reserves and contingent resources audited by ERCE and evaluated by McDaniel in respect of IPC, and 2P reserves and contingent resources evaluated by Sproule in respect of BlackPearl, have been aggregated in this press release. Estimates of reserves and future net revenue for individual properties may not reflect the same level of confidence as estimates of reserves and future net revenue for all properties, due to aggregation. This press release contains estimates of the net present value of the future net revenue from reserves. The estimated values of future net revenue disclosed in this press release do not represent fair market value. There is no assurance that the forecast prices and cost assumptions used in the reserve evaluations will be attained and variances could be material.

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 thousand cubic feet (Mcf) per 1 barrel (bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a 6:1 conversion basis may be misleading as an indication of value.

Currency

All dollar amounts in this press release are expressed in United States dollars, except where otherwise noted. References herein to USD mean United States dollars. References herein to CAD mean Canadian dollars.