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Court	COURT OF QUEEN'S BENCH OF ALBERTA
Judicial Centre	Calgary
Applicant	Robert Martin Friedland
Respondents	Ivanhoe Energy Inc.
Document	**AFFIDAVIT**
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AFFIDAVIT OF PETER MEREDITH
Sworn on June 9, 2015

I, Peter Meredith, of Vancouver, British Columbia, SWEAR AND SAY THAT:

1. I have been a business associate of Robert Martin Friedland, the applicant, since 1983, and we have served together on a number of public company boards. I was a member of the board of directors of Ivanhoe Energy Inc. ("**Ivanhoe**"), the respondent in this application, from 2007 until December 12, 2014. I have been assisting Mr. Friedland with the proposed restructuring of Ivanhoe since my resignation as a director of Ivanhoe.

2. I have reviewed the relevant contracts, correspondence, financial information, and loan and security documentation in this matter. I have also reviewed Ivanhoe's public filings and press releases, and I have spoken with certain of Ivanhoe's directors and employees, as necessary. As such, I have personal knowledge of the matters to which I hereinafter depose. Where my affidavit is stated to be based on information I have received from others, I believe that information to be true.

1. INTRODUCTION

3. This affidavit is sworn in support of an application for an order appointing KPMG Inc. ("**KPMG**") as receiver of all of the assets, undertakings, and properties of the respondent Ivanhoe pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 13(2) of the *Judicature Act*, R.S.A. 2000, c. J-2, as amended.

4. Ivanhoe is bankrupt. On February 20, 2015, Ivanhoe filed a notice of intention to make a proposal under the BIA. As described in greater detail below, Ivanhoe failed to make a proposal within the time permitted for doing so and was deemed to have made an assignment into bankruptcy on June 2, 2015. Ernst & Young Inc. ("EY") was appointed as the trustee in bankruptcy of Ivanhoe (the "**Trustee in Bankruptcy**").

5. Robert Martin Friedland is Ivanhoe's senior secured creditor. Mr. Friedland is also the beneficiary of a court-ordered super-priority charge over all of Ivanhoe's assets which secures a debtor-in-possession (DIP) loan that he advanced to Ivanhoe in connection with its proposal proceedings under the BIA (the "Proposal Proceedings"). Mr. Friedland brings the within application for an order appointing a receiver to enforce Mr. Friedland's security over Ivanhoe's assets.

6. Ivanhoe has defaulted on its obligations under the DIP Term Sheet, the Loan Agreement and the Charging Debentures (as those terms are defined below). Accordingly, Mr. Friedland is entitled to the appointment of a receiver over Ivanhoe's assets. A receiver will be able to liquidate Ivanhoe's assets in a fair and reasonable manner so as to maximize the value of Ivanhoe's assets for the benefit of all of Ivanhoe's creditors.

2. OVERVIEW OF THE PARTIES

A. The Lender – Robert Martin Friedland

7. Robert Martin Friedland is an international financier who specializes in providing financing and venture capital to junior companies in the energy and minerals industries, whether directly, through a network of corporations that he owns or controls, or through business ventures in which he has an interest.

8. Mr. Friedland was a co-founder of Ivanhoe and has been closely involved with the company since that time. Mr. Friedland was a director of Ivanhoe from 1995 until October 10, 2014, and he was executive co-chairman from 2008 until October 10, 2014. Between 2008 and 2011, he acted as Ivanhoe's chief executive officer. Between 2008 and 2010, he acted as Ivanhoe's president. Mr. Friedland resigned his positions with Ivanhoe effective October 10, 2014.

9. Mr. Friedland is Ivanhoe's senior secured creditor as well as Ivanhoe's single largest individual creditor. In addition, corporations that Mr. Friedland owns or controls are significant unsecured creditors of Ivanhoe. Mr. Friedland is also Ivanhoe's single largest shareholder, holding approximately 16.78% of Ivanhoe's issued and outstanding shares and Convertible Debentures (as that term is defined below) that are convertible into 99,206 shares.

B. The Debtor – Ivanhoe Energy Inc.

10. Ivanhoe is a corporation established under the laws of Yukon. It is a reporting issuer whose shares were traded on the TSX (under ticker symbols IE.TO and IE-DB.TO) and NASDAQ (under ticker symbol IVAN) markets. In February 2015, Ivanhoe was delisted from both the TSX and NASDAQ.

11. Ivanhoe's principal corporate office is located at 999 Canada Place, Suite 654, Vancouver, British Columbia. Its registered and records office is located at 300-204 Black Street, Whitehorse, Yukon. The Proposal Proceedings were commenced in Calgary, Alberta and Ivanhoe's locality for the purposes of its deemed assignment in bankruptcy is also Calgary.

12. Until its deemed assignment into bankruptcy on June 2, 2015 (the "**Bankruptcy**"), Ivanhoe was an independent international heavy oil exploration and development company. Since selling its operating assets in the United States and China between 2009 and 2012, Ivanhoe focused on three principal projects until late in 2014: (a) developing oil sands leases in the Tamarack Field near Ft. McMurray, Alberta (the "**Tamarack Field**"); (b) exploring and developing a potential oil field in a parcel of land known as Block 20 of the Pungarayacu area in Ecuador through an indirect wholly-owned subsidiary; and (c) developing the HTL Technology (as that term is defined below) that is intended to make the extraction and transportation of non-conventional heavy oil and bitumen more economical. These projects are described in greater detail below.

13. Ivanhoe has nine direct subsidiaries: (a) Ivanhoe Energy Canadian Holdings (Inc.), an Alberta corporation; (b) Ivanhoe Energy Mongolia Inc., an Alberta corporation; (c) Ivanhoe Energy Canada Inc., an Alberta corporation; (d) Ivanhoe Energy International Inc., a British Virgin Islands corporation; (e) Ivanhoe Energy International Ventures Inc., a British Virgin Islands corporation; (f) Sunwing Holding Corporation, a Barbados corporation; (g) Ivanhoe Energy Advisory Inc., a British Virgin Islands corporation; (h) Ivanhoe Energy MENA Inc., a British Columbia corporation; and (i) Ivanhoe Energy Latin America Inc., a British Columbia corporation. A copy of a chart showing the corporate structure of Ivanhoe and its subsidiaries is attached hereto as Exhibit "A".

14. As at the date of this affidavit, Ivanhoe has no employees. The employment of all of Ivanhoe's employees was automatically terminated upon Ivanhoe's deemed assignment into bankruptcy.

3. THE LOAN

A. The Loan

15. Pursuant to a loan agreement dated October 10, 2014 between Ivanhoe and Mr. Friedland (as subsequently amended, the "**Loan Agreement**"), Mr. Friedland provided a bridge loan in the amount of US $2.2 million to Ivanhoe (the "**Loan**") to

be used for general business purposes. The Loan is evidenced by a promissory note issued by Ivanhoe in favour of Mr. Friedland dated October 10, 2014. Copies of the Loan Agreement and the promissory note are attached hereto as Exhibits "B" and "C", respectively. The Loan was advanced to Ivanhoe on or about October 10, 2014. All capitalized terms used but not defined in this section of the Affidavit shall have the meanings given to them in the Loan Agreement or the Charging Debentures.

16. Pursuant to the Loan Agreement, the Loan matured on (a) the earliest of: (i) April 8, 2015; or (ii) 5 business days after the date on which Ivanhoe completes a Repayment Financing Transaction; or (b) such later date as is agreed to in writing by Ivanhoe and Mr. Friedland. No such Repayment Financing Transaction has been completed, and Mr. Friedland has not agreed to any extension of the maturity date. Therefore, the Loan matured on April 8, 2015 and is now due and payable in full. Amounts outstanding in connection with the Loan bear interest at the rate of 10% per year, calculated semi-annually not in advance.

17. Events of default under the Loan Agreement (each an "**Event of Default**" and collectively, the "**Events of Default**") include, among other things:

(a) A failure by Ivanhoe to make any principal, interest or fee payment under the Loan Agreement or any other loan document related thereto (each a "**Loan Document**") when due;

(b) A breach by Ivanhoe of any other covenant or agreement contained in the Loan Agreement or in any other Loan Document and, if such breach is curable and is not a negative covenant, the expiration of a 15-day period following such breach during which the same is not cured;

(c) Any other representation or warranty made by Ivanhoe in the Loan Agreement, any other loan Document or any related document, agreement or certificate is found to be false or incorrect in any way so as to make it materially misleading when made;

(d) The commencement by Ivanhoe of a voluntary proceeding under applicable bankruptcy or insolvency legislation; or

(e) If there has occurred any other event or development that, in Mr. Friedland's opinion, is likely to have a Material Adverse Effect (as that term is defined in the Loan Agreement).

18. Upon the occurrence and during the continuance of an Event of Default under the Loan Agreement, Mr. Friedland may, by notice given in accordance with the Loan Agreement to Ivanhoe, declare the Principal Balance (as that term is defined in the Loan Agreement) and all accrued and unpaid interest thereon and all other Loan Indebtedness to be forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which were expressly waived by Ivanhoe, anything contained in the Loan Agreement or in other Loan Documents to the contrary notwithstanding.

B. The Charging Debenture

19. The Loan is secured by a fixed and floating charge debenture dated October 10, 2014 (the "**Charging Debenture**") made by Ivanhoe (as chargor) to and in favour of Mr. Friedland (as holder), in the maximum amount of US $5 million at an interest rate of 30% per year. Pursuant to the Charging Debenture, Ivanhoe:

(a) granted, assigned as security, conveyed, mortgaged, pledged and charged, as and by way of a first fixed and specific mortgage, charge and pledge, to and in favour of Mr. Friedland, and granted to Mr. Friedland a continuing security interest in, all of Ivanhoe's right, title, interest and estate in and to the Specifically Mortgaged Lands, the Oil Sands Leases, and all Oil Sands and other hydrocarbons within, upon or under the Specifically Mortgaged Lands, together with any and all rights, leases, licenses, easements, rights-of-way, profits a-prendre, interests in real property, structures, underground facilities, Wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures then or thereafter constructed or placed on the Specifically Mortgaged Lands and all accretions, additions and accessions to any of the foregoing, any substitution of any of the foregoing and any and all proceeds of any of the foregoing and including all of Ivanhoe's present and after-acquired right, title, estate and interest in and to all proceeds derived from any of the foregoing;

(b) granted, assigned as security, conveyed, mortgaged and charged, as and by way of a first floating charge, to and in favour of Mr. Friedland, all of Ivanhoe's right, title, interest and estate in and to all real property (including without limitation all Oil Sands and other hydrocarbons) not subject to the fixed charge set for above, both present and future, of every nature and kind and wherever situate, together with any and all rights, leases, licenses, easements, rights-of-way, profits a-prendre, interests in real property, structures, underground facilities, Wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures then or thereafter constructed or placed on such real property or used in connection with such real property and all accretions, additions and accessions to any of the foregoing, which Ivanhoe had, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter, and any and all proceeds of any of the foregoing; and

(c) granted, assigned as security, conveyed, transferred, mortgaged and charged as and by way of a fixed and specific mortgage and charge to and in favour of Mr. Friedland, and granted to Mr. Friedland a continuing security interest in, all of Ivanhoe's present and after-acquired personal property, including without limitation all present and after-acquired goods (including without limitation all Oil Sands and other hydrocarbons extracted from time to time and all Products), chattel paper, documents of title, instruments, intangibles, investment property and money (as such terms are defined in the PPSA), wherever located (collectively, the "**Charge**", and the property subject to the Charge, the "**Charged Property**");

as security for the due payment and performance of all Obligations (defined as including all debts, obligations, liabilities, and indebtedness to Mr. Friedland, including any such debts, obligations, liabilities and indebtedness incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding).

20. The Charge becomes and is enforceable against Ivanhoe upon the occurrence of an Event of Default under the Loan Agreement. Whenever the Charge is enforceable, Mr. Friedland may, at any time, in his sole discretion: (a) declare any or all of the Obligations to be forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which were expressly waived by Ivanhoe; and (b) realize upon the Charged Property, including by:

(u) Appointing a receiver or receiver and manager of the Charged Property in writing;

(v) Instituting proceedings in any court of competent jurisdiction for the appointment of a receiver or receiver and manager of all or any part of the Charged Property;

(w) Entering into and taking possession of the Charged Property, and requiring Ivanhoe to make the Charged Property available to Mr. Friedland;

(x) Carrying on or concurring in the carrying on of all or any part of Ivanhoe's business relating to the Charged Property;

(y) Enforcing any of Mr. Friedland's rights in respect of the Charged Property by any manner permitted by applicable law; and

(z) Selling, leasing or otherwise disposing of all or any part of the Charged Property, either as a whole or in separate parcels, by public auction, public tender, private tender or private sale at such time or times as Mr. Friedland may determine.

21. Under the Charging Debenture, Ivanhoe agreed to pay all expenses that Mr. Friedland may incur (including fees and disbursements of counsel) in connection with the enforcement or protection of his rights, including in all reasonable legal fees, court costs and receiver's remuneration.

22. Mr. Friedland has security over both Oil Sands Leases pursuant to registrations made under the *Mines and Minerals Act* (Alberta). Copies of those registrations are attached collectively hereto as Exhibit "D". In addition, Mr. Friedland has security over all of Ivanhoe's real property (including all Oil Sands and other hydrocarbons) not subject to the security pursuant to the Charging Debenture previously described in this paragraph, and over all of Ivanhoe's personal property pursuant to the Alberta and British Columbia *Personal Property Security Act*. Copies of registrations evidencing these security interests are attached as Exhibits "E" and "F", respectively.

C. The Second Advance

23. Pursuant to a Loan Agreement Amendment dated December 29, 2014 between Ivanhoe and Mr. Friedland (the "**Loan Agreement Amendment**"), the Loan Agreement was amended to provide for a second advance of US $540,000 (the "**Second Advance**") that was advanced on December 29, 2014. A copy of the Loan Agreement Amendment is attached hereto as Exhibit "G".

24. The Loan Agreement Amendment provided that the Second Advance was to be used by Ivanhoe to pay premiums due in respect of Ivanhoe's directors and officers insurance policy and for general corporate purposes. On December 29, 2014, Ivanhoe issued a direction to Mr. Friedland directing him to transfer US $533,600 of the principal amount of the Second Advance directly to Ivanhoe's insurer. A copy of the direction is attached hereto as Exhibit "H".

25. To evidence its obligation to repay the Second Advance, Ivanhoe issued a promissory note in favour of Mr. Friedland. A copy of the promissory note is attached hereto as Exhibit "I".

D. The Third Advance

26. On February 10, 2015, the Loan Agreement was again amended at Ivanhoe's request to increase the Loan by a further US $2,370,016 (the "**Third Advance**"). I am informed by Carlos Cabrera, the Chief Financial Officer of Ivanhoe and do verily believe that Ivanhoe requested the Third Advance to enable it to pay certain amounts arising from the wind-up of Ivanhoe's business in Ecuador, including

amounts owing to Ecuadorian employees and certain obligations resulting from the termination of a key agreement in Ecuador (which is described below).

27. Mr. Friedland agreed to provide the amount of the Third Advance to Ivanhoe in consideration for a reduction of the aggregate amount owing by Ivanhoe to companies controlled by him. Ivanhoe agreed that approximately US $1.16 million of the Third Advance would be used to pay down certain unsecured trade debt owing to two companies controlled by Mr. Friedland. This trade debt arose in connection with services provided by those companies to Ivanhoe. The Third Advance was made pursuant to directions dated February 10, 2015 and February 12, 2015 from Ivanhoe to Mr. Friedland, copies of which are attached together as Exhibit "J".

28. To evidence its obligation to repay the Third Advance, Ivanhoe issued a promissory note in favour of Mr. Friedland. A copy of the promissory note is attached hereto as Exhibit "K".

29. As security for the Third Advance, Ivanhoe delivered a first supplemental debenture dated February 10, 2015 (the "**Supplemental Charging Debenture**" and, together with the Charging Debenture, the "**Charging Debentures**") to Mr. Friedland. The Supplemental Charging Debenture was supplemental to and in implementation of the Charging Debenture, and incorporates by reference, *mutatis mutandis*, many of the provisions of the Charging Debenture. A copy of the Supplemental Charging Debenture is attached hereto as Exhibit "L".

30. The Supplemental Charging Debenture increased the principal sum set out in the Charging Debenture from US $5 million to US $10 million. In the Supplemental Charging Debenture, Ivanhoe confirmed that the Charges continued and were in full force and effect.

E. Repayments to Date

31. Ivanhoe has not made any repayment of principal or interest owing by it to Mr. Friedland under any of the Loan Agreement, the Charging Debentures or the DIP Term Sheet.

4. IVANHOE'S FINANCIAL STATUS

A. Current Financial Position

32. As indicated above, Ivanhoe is currently bankrupt. A copy of Ivanhoe's certificate of assignment is attached hereto as Exhibit "M".

33. Ivanhoe's financial reporting is made on a consolidated basis and does not separately describe the financial status of its subsidiaries. [1] Ivanhoe's unaudited condensed consolidated financial statements for the three- and nine-month periods ended September 30, 2014 (the "**Financial Statements**") are attached hereto as Exhibit "N". These are the most recent publicly-available financial statements for Ivanhoe. Ivanhoe did not file its annual audited interim financial statements for the year ended December 31, 2014.

(i) Assets

a. Tamarack Field

34. Ivanhoe holds two oil sands leases – Lease 6 and Lease 10 (together, the "**Oil Sands Leases**") – in an area known as the Tamarack Field, northeast of Ft. McMurray, Alberta (as previously defined, the "**Tamarack Field**"). Ivanhoe purchased the Leases from Talisman Energy Inc. in 2008 for $75 million, plus a contingent future payment of $15 million. As described in greater detail below, Talisman was granted a charge over certain of Ivanhoe's assets to secure payment of this contingent future payment.

35. Lease 10 in the Tamarack Field covers approximately 6880 acres of land. In addition, Ivanhoe's assets associated with Lease 10 include the results of approximately $5 million invested in engineering and regulatory approval work for a road from Ft. McMurray to the general vicinity of Lease 10, together with a bridge across the Clearwater River.

[1] All of Ivanhoe's subsidiaries are wholly-owned and directly- or indirectly-held, other than Sunwing Management Limited. Ivanhoe owns 99.9% of Sunwing.

36. Lease 6 in the Tamarack Field is smaller than Lease 10 and is located near – but not adjacent to – Lease 10. Ivanhoe focused its development efforts and capital expenditures on Lease 10.

37. Ivanhoe has never produced oil from the Tamarack Field. Prior to its bankruptcy, Ivanhoe had been working to develop and commercialize the Tamarack Field but had not yet begun extracting commercial quantities of hydrocarbons. Among other things, Ivanhoe had worked to compile a range of data about the Tamarack Field, including drilling logs and pressure measurements, to support the development of a commercial drilling program at the Tamarack Field. In addition, Ivanhoe had continued to experiment with the HTL Technology and other novel extraction techniques at the Tamarack Field.

38. Ivanhoe had been working to develop a process for extracting bitumen from Lease 10 using steam-assisted gravity drainage (or SAGD) techniques and then upgrading the extracted bitumen using the HTL Technology. Since November 2010, Ivanhoe had been seeking regulatory approvals to begin commercial extraction operations using this process in the Tamarack Field. In December 2013, Ivanhoe learned that the Alberta Energy Regulator (the "**AER**") intended to develop new regulatory requirements intended to minimize the adverse environmental impact from extraction operations in the Tamarack Field. Interim guidelines provided by the AER indicate that the AER will require additional 3D seismic data in order to consider requests for regulatory approvals. These requirements will affect projects using shallow SAGD techniques, like Ivanhoe's project in the Tamarack Field.

39. The feasibility and economic viability of Ivanhoe's plan for the Tamarack Field could not be ascertained until the AER's regulatory requirements were finalized. Accordingly, Ivanhoe had suspended all activity, including any capital investments, in the Tamarack Field at the end of 2013.

40. As at the start of the Proposal Proceedings, Ivanhoe had not yet obtained the regulatory approvals necessary to begin implementing this process, and was uncertain about when (if ever) those approvals could be obtained. As at that date,

Ivanhoe had no active operations at the Tamarack Field and had implemented a care and maintenance program there.

41. The Oil Sand Leases expire in October 2016. Ivanhoe qualified for a lease continuation by the Alberta Department of Energy one year prior to expiry or upon first production, whichever comes first. However, as described above, changes in the regulatory regime that governs Ivanhoe's operations in the Tamarack Field may mean that Ivanhoe would have been ineligible for any such continuation.

b. The Pungarayacu Area in Ecuador

42. In 2008, Ivanhoe's indirectly owned subsidiary Ivanhoe Energy Ecuador Inc. ("**Ivanhoe Ecuador**") signed a 30-year Specific Services Contract (the "**SSC**") with certain state-owned oil companies in Ecuador to explore and produce oil from an area in a potential oil field in a region known as Pungarayacu ("**Block 20**"). Pursuant to the SSC, Ivanhoe Ecuador was required to spend $110 million in performing certain surveying and appraisal work in Block 20. By the end of 2013, Ivanhoe Ecuador had spent approximately $70 million in mapping hydrocarbon resources in Block 20.

43. In late 2012, Ivanhoe Ecuador entered into a farm-in agreement (the "**Farm-In Agreement**") with China National Petroleum Corporation ("**CNPC**"). CNPC is China's largest oil and gas producer. Pursuant to the Farm-in Agreement, CNPC was required to make an initial $50 million payment to Ivanhoe Ecuador and was required to incur $40 million in expenses. In consideration for doing so, CNPC was granted a 70% operating interest in Block 20.

44. It was a condition to the Farm-In Agreement that Ivanhoe Ecuador terminate the SSC and that a consortium comprised of CNPC and Ivanhoe Ecuador sign a new service contract with the government of Ecuador. As described in greater detail below, CNPC determined not to proceed with the Farm-In Agreement in June 2014

45. In February 2015, the employment of all of Ivanhoe Ecuador's employees in Ecuador was terminated, and the SSC was terminated by mutual consent of the parties thereto. Since that time, Ivanhoe Ecuador has been winding down its operations in

Ecuador. Its only remaining assets are residual intellectual property relating to Block 20, which had not been valued as at the start of the Proposal Proceedings.

c. HTL Technology

46. The HTL Technology involves a chemical process for converting heavy oil into a lighter synthetic crude oil. Heavy oil is relatively abundant around the world, but it is often technically difficult and uneconomical to extract and transport heavy oil from heavy oil deposits. Moreover, lighter synthetic crude oil can be sold at higher prices than heavy oil, and is easier to transport through pipelines without the need to add diluents. The HTL Technology provides a cost-effective and efficient mechanism for converting heavy oil into lighter synthetic crude oil, which is a more attractive product to the market. As an additional benefit, the conversion process generates energy that can be used to create steam, which is a key input in the SAGD process. As a result, the HTL Technology promises to both reduce the cost of generating heavy oil and increase the value of the commodity sold at the end of the conversion process.

47. Ivanhoe obtained an exclusive, irrevocable license to the HTL Technology as part of its merger with Ensyn Group Inc. ("Ensyn") in 2005. Ivanhoe's license gives it the exclusive right to exploit the HTL Technology for all applications other than biomass. Since that time, Ivanhoe has developed a suite of patents, technical data and know-how that both enhance the value of the HTL Technology and create additional barriers to the emergence of competitive technologies. To date, Ivanhoe is the assignee of six patents in the United States and has 13 additional patent applications pending. Ivanhoe has 57 patents granted in other countries and 32 pending patent applications. In addition, Ivanhoe has exclusive, irrevocable licenses to 17 patents around the world for a rapid thermal processing process relating to petroleum. Ivanhoe's key patents expire in 2032.

48. The HTL Technology involves the construction of special-purpose plants near oil wells in the field or on water-going vessels. The plant can be assembled from modules that are fabricated off-site and transported to the well.

49. Ivanhoe originally intended that the HTL Technology would be used exclusively in Ivanhoe's oil fields in the Tamarack Field and Block 20. Given the recent difficulties in establishing commercial extraction operations at those fields, Ivanhoe determined that the HTL Technology can most lucratively be exploited through licensing to an operator who is willing to incur the cost and risk associated with making the HTL Technology ready for use in the field.

50. The assets relating to the HTL Technology include: (a) an exclusive license from Ensyn for its rapid thermal processing (RTP) technology for use in (among other things) petroleum-related applications; (b) a patent portfolio, related data and know-how produced by Ivanhoe since it obtained the license from Ensyn; and (c) a feed testing facility in San Antonio, Texas.

(ii) Liabilities

51. As indicated in the Financial Statements, as at September 30, 2014, Ivanhoe had current liabilities (consisting of accounts payable and accrued liabilities) of $5,377,000 and long-term liabilities of $70,110,000. According to the information package sent to Ivanhoe's creditors at the commencement of the Proposal Proceedings (the "**NOI Information Package**"), Ivanhoe had secured, preferred and unsecured liabilities totalling $103,624,047.02. A copy of the NOI Information Package is attached hereto as Exhibit "O".

a. The Loan

52. As described above, Ivanhoe has a secured debt to Mr. Friedland in the amount of US $5,110,016.00, plus accruing interest and fees, pursuant to the Loan Agreement.

b. DIP Loan

53. As described in greater detail below, Ivanhoe has a debt to Mr. Friedland in the amount of $1,030,731.33, plus accruing interest and fees, pursuant to the DIP Term Sheet. Mr. Friedland is the beneficiary of a court-ordered super-priority charge over all of Ivanhoe's assets which secures repayment of this loan.

c. Talisman Contingent Debt

54. In July 2008, Talisman Energy Canada ("**Talisman**") and Ivanhoe entered into an asset transfer agreement pursuant to which Ivanhoe acquired Leases 6 and 10 of the Tamarack Field. In connection with that asset transfer agreement, to secure payment of certain future contingent amounts (described below), Talisman was granted a first fixed charge and security interest in Leases 6 and 10 and a general security interest in all of Ivanhoe's present and after-acquired property, other than its equity interests in its subsidiaries (through which it held the HTL Technology and its projects in Ecuador and Mongolia).

55. Ivanhoe satisfied substantially all of the material debt obligations owing to Talisman other than a $15 million contingent payment obligation (the "**Talisman Debt**"). Ivanhoe was required to pay the Talisman Debt upon receiving certain government and other approvals necessary to develop a parcel of land within the area covered by Lease 10. Ivanhoe did not obtain the required approvals and never paid the Talisman Debt.

56. On October 10, 2014, Ivanhoe, Talisman and Mr. Friedland entered into a subordination agreement (the "**Subordination Agreement**"). Pursuant to the Subordination Agreement, Talisman agreed to subordinate the debt owing to it in favour of the debt owing from Ivanhoe to Mr. Friedland. In particular, Talisman agreed that all of the secured and unsecured indebtedness owing from Ivanhoe to Mr. Friedland would be paid or repaid in full before any payment on account of, or in respect of, the debt owing to Talisman. Moreover, Talisman agreed to subordinate its security to the Charges. A copy of the Subordination Agreement is attached hereto as Exhibit "P".

57. The Subordination Agreement also provided that upon an event of default under the Loan Documents or any receivership, liquidation, reorganization or other similar proceedings in connection with or relating to Ivanhoe, Mr. Friedland would be entitled to be paid in full before Talisman was entitled to receive any distribution. Moreover, Mr. Friedland would be entitled to receive any payment or distribution of

any kind or character which may be payable to Talisman in respect of its subordinated debt.

d. Convertible Debentures

58. On June 9, 2011, Ivanhoe issued $73.3 million of 5.75% convertible unsecured subordinated debentures (the "**Convertible Debentures**"). The Convertible Debentures mature on June 30, 2016. Interest is payable semi-annually on June 30 and December 31 of each year. The Convertible Debentures are convertible at a price of $10.08 per share, and can be redeemed for cash or common shares at any time after June 30, 2014 if the current market price of Ivanhoe's common shares is equal to or greater than 125% of the conversion price.

59. Ivanhoe failed to make the scheduled interest payment of $2.1 million due in respect of the Convertible Debentures on December 31, 2014. The cure period for making that interest payment expired on January 29, 2015 without any payment. On February 9, 2015, The Bank of New York Mellon, as trustee under the indenture governing the Convertible Debentures, delivered notice to Ivanhoe that it had committed an event of default under the indenture and demanded immediate payment of interest. Because of the Bankruptcy, Ivanhoe will not make its next scheduled interest payment on the Convertible Debentures, which would have been payable on June 30, 2015.

e. Other Unsecured Debts

60. According to the NOI Information Package, as at the date thereof, Ivanhoe had unsecured debts totalling $97,245,986.02, including the Convertible Debentures, certain creditors who have a preferred claim and a number of trade suppliers. Ivanhoe's largest creditors after Mr. Friedland and the holders of the Convertible Debentures (collectively, the "**Convertible Debentureholders**") are various professional services firms.

B. Causes of Financial Difficulty

61. Ivanhoe has experienced significant financial difficulties in recent years due to, among other things, broader economic forces affecting all players in the oil and gas industry as well as challenges unique to Ivanhoe.

62. Ivanhoe has focused on the development of wells that produce non-conventional heavy oil and bitumen. As outlined above, these products must be thermally enhanced - typically through the addition of steam - before they can be extracted from the ground. This means that wells producing non-conventional heavy oils and bitumen must be accompanied by infrastructure to generate steam and powered pumps to extract the heavy oil or bitumen. As a result, wells like the ones that Ivanhoe proposed to construct in the Tamarack Field are costly to build, maintain and operate.

63. Ivanhoe faced additional challenges in the Tamarack Field because of the evolving regulatory framework within which it operated. Ivanhoe was forced to halt development of its projects in the Tamarack Field as it worked to understand the AER's evolving requirements and how to satisfy them in an economical and efficient manner. These challenges had not been resolved before the start of the Proposal Proceedings.

64. Ivanhoe's efforts to achieve commercial extraction operations in Ecuador were discontinued in June 2014 after a high-level CNPC official was arrested in China as part of a corruption crackdown.

65. The collapse of world prices for oil, including heavy oil, in 2014 and continuing into 2015 has had a significant adverse impact on Ivanhoe's viability as a going concern, on its ability to attract additional financing (other than from Mr. Friedland), and on its efforts to negotiate and consummate transactions with strategic partners. In particular, the collapse in oil prices interrupted negotiations with Suncor Energy Inc. about a sale of all or a part of Ivanhoe's assets in the Tamarack Field, together with a grant of rights to the HTL Technology. Similarly, negotiations with CNPC about a

joint venture in Ecuador were discontinued as commodity prices fell and the viability of the proposed projects became uncertain.

C. Efforts to Recapitalize

66. Prior to and during the Proposal Proceedings, Ivanhoe worked for a number of months to identify possible outside sources of financing to allow it to commence commercial operations in the Tamarack Field and the Pungarayacu area, and to identify and exploit commercial applications for the HTL Technology. As described in greater detail, Ivanhoe's efforts were unsuccessful.

67. Beginning in May 2014, Ivanhoe worked with BMO Capital Markets to develop a recapitalization plan (the "**BMO Plan**"). The BMO Plan contemplated exchanging the Convertible Debentures, which were unsecured, for new secured debt that would mature in December 2016 and carry an 8% coupon. Ivanhoe had an option to convert the new debentures into equity if 66 2/3% of Convertible Debentureholders agreed.

68. Convertible Debentureholders were also offered the opportunity to provide new first lien debt that would be secured against Ivanhoe's assets ahead of current and proposed exchanging bondholders. The terms of the new debt were to include a 10% coupon with a warrant sweetener, and a maturity of April 2017. Ivanhoe discussed this proposed new first lien debt with a number of potentially-interested parties, and engaged Highland Ridge Capital to further market the term sheet. Mr. Friedland expressed interest in purchasing the new debt, provided another party would also join in the transaction. No investors potentially interested in acquiring this new first lien debt, whether individually or in partnership with Mr. Friedland, could be found.

69. I have reviewed the materials filed by Ivanhoe in connection with the Proposal Proceedings, including the affidavit of Blair Vago sworn February 27, 2015 (the "**Vago Affidavit**"). I understand from the Vago Affidavit that in December 2014, Ivanhoe's management ("**Management**") met with several of the significant Convertible Debentureholders. One such Convertible Debentureholder, Stornoway

Portfolio, indicated that it was prepared to support an orderly wind-down of Ivanhoe's operations and a sale of its assets. Stornoway rejected the BMO Plan and instead proposed a transaction in which part of the Convertible Debentures would be converted to equity, and the balance retired through the net proceeds of the sale of Tamarack. Mr. Friedland rejected this proposal because it left Ivanhoe encumbered with too much debt. A copy of the Vago Affidavit, without its exhibits, is attached hereto as Exhibit "Q".

70. In addition to retaining BMO, the board of directors of Ivanhoe (the "**Board**") struck a special committee (which engaged independent counsel) to evaluate a variety of strategic alternatives, including a rights offering and funding from various possible financiers. I understand from the Vago Affidavit that the Board rejected these alternatives as not being viable.

71. In order to address immediate liquidity issues while the Board evaluated strategic alternatives, Ivanhoe borrowed additional funds from Mr. Friedland.

72. I also understand from the Vago Affidavit that after discussions with various Convertible Debentureholders, Management determined that it would attempt to amicably negotiate with Convertible Debentureholders to cancel the Convertible Debentures in exchange for equity rather than convert them. Ivanhoe therefore presented a second offer to Convertible Debentureholders that contemplated an equitization of all Convertible Debentures to equity. In order to bring this plan to fruition, Ivanhoe required financing for 9-12 months. Management estimated that approximately $4 million would be required. Ivanhoe approached Mr. Friedland to provide this funding. Mr. Friedland was not prepared to advance an additional $4 million.

D. Proposal Proceedings under BIA

73. As indicated above, Ivanhoe failed to make an interest payment owing to Convertible Debentureholders in the amount of $2.1 million due on December 31, 2014, and failed to cure its default within the specified cure period. On February 9,

2015, the trustee under the Convertible Debentures demanded immediate payment of the overdue interest installment.

74. Ivanhoe was unable to pay the overdue interest installment. Accordingly, Ivanhoe filed a notice of intention to make a proposal under the BIA on February 20, 2015. EY was appointed as proposal trustee (in such capacity, the "**Proposal Trustee**").

75. As at February 20, 2015, Ivanhoe had approximately $118,000 in cash. Ivanhoe required interim debtor-in-possession financing to maintain assets and retain key staff necessary to formulate and implement a proposal. Ivanhoe obtained DIP financing from Mr. Friedland in the amount of US $1 million on the following terms:

(a) Interest rate of 13%, calculated daily;

(b) Various covenants, including reporting covenants and restrictions on the use of proceeds;

(c) Repayment due on the earlier of: (i) June 1, 2015 or such later date as Mr. Friedland may agree to in writing; (ii) the effective date of the implementation of a proposal under the BIA; and (iii) an occurrence of an Event of Default;

(d) Application fee of 2% of the principal amount, which fee was fully earned upon issuance of an order of the Court approving the DIP Facility and which was paid as a deduction from the advance of the Principal Amount;

(e) Various conditions precedent to funding, all of which were for the benefit of Mr. Friedland and were satisfied;

(f) Events of default included: (i) any assignment or deemed assignment of Ivanhoe into bankruptcy; (ii) a failure by Ivanhoe to pay the principal amount of the DIP Facility when it becomes due and payable; (iii) a failure by Ivanhoe to make any interest payment on the DIP Facility or to pay any fees payable in connection therewith when the same shall become due and payable; (iv) any material deviation from the Cash-Flow Statements; (v) Ivanhoe's failure to file a proposal with the proposal trustee on or before April 21, 2015; and (vi) Ivanhoe's failure to receive the required approval of all classes of creditors to a proposal by May 13, 2015;

(g) Upon the occurrence of an event of default under the DIP Facility, Mr. Friedland was entitled to, among other things: (i) on demand, accelerate all payments due by Ivanhoe under the DIP Facility; and (ii) apply to a Court of competent jurisdiction for the appointment of an interim receiver or a receiver and manager of the undertaking, property and assets of Ivanhoe; and

(h) All of Mr. Friedland's reasonable out-of-pocket expenses and costs, including (without limitation) all reasonable travel expenses and reasonable legal fees incurred by Mr. Friedland and one firm of legal counsel appointed by him, in connection with any matter arising in connection with the DIP Facility or the Proposal Proceedings, are for the sole account of Ivanhoe and shall be paid within 5 days of being invoiced.

76. The DIP financing is secured by court-ordered super-priority charge on all assets, rights, undertakings and properties of Ivanhoe, of every nature and kind whatsoever, and wherever situated including all proceeds thereof. A copy of the court order granting Mr. Friedland the super-priority charge is attached hereto as Exhibit "R".

77. On May 4, 2015, Ivanhoe obtained an extension of time in which to put forward a proposal to its creditors. This extension expired on June 2, 2015, one day after the maturity date under the DIP Term Sheet.

78. In May 2015, Ivanhoe (with the assistance of the Proposal Trustee) engaged in discussions with various stakeholders, including Mr. Friedland and Convertible Debentureholders, about the terms of a potential proposal and about obtaining additional interim financing to allow Ivanhoe to continue negotiations with its creditors. Ivanhoe was unable to identify any interim financiers prior to June 1, 2015 and failed to file a proposal on or before June 2, 2015. Accordingly, Ivanhoe was deemed to have made an assignment in bankruptcy effective June 2, 2015.

5. EVENTS OF DEFAULT

A. Defaults under Loan Agreement and Charging Debentures

79. Ivanhoe is in default of its obligations under the Loan Agreement and the Charging Debentures. It has committed events of default, or has permitted them to occur and continue, under those documents including (but not limited to):

(a) Ivanhoe has failed to repay all Loan Indebtedness outstanding under the Loan Agreement on the Maturity Date;

(b) Ivanhoe has failed to make principal, interest or fee payments under the Loan Agreement;

(c) Ivanhoe has commenced a voluntary proceeding under the BIA;

(d) Ivanhoe has been deemed to have made a general assignment for the benefit of its creditors; and

(e) There has occurred events and developments that, in the Lender's opinion, are each likely to have a Material Adverse Effect (as defined in the Loan Agreement).

80. In accordance with the terms of the Charging Debentures, upon the occurrence of any one of the foregoing events of default, Mr. Friedland is entitled to: (a) demand payment of all amounts owing by Ivanhoe; and (b) seek the appointment of a receiver.

B. Defaults under the DIP Term Sheet

81. In addition, Ivanhoe is in default of its obligations under the DIP Term Sheet. It has committed events of default, or has permitted them to occur and continue, including (but not limited to):

(a) A deemed assignment of Ivanhoe into bankruptcy has occurred;

(b) Ivanhoe has failed to pay the Principal Amount outstanding under the DIP Term Sheet on the Maturity Date, being June 1, 2015;

(c) Ivanhoe has failed to pay interest on the DIP Facility and/or fees under the DIP Term Sheet when due and payable;

(d) Ivanhoe has failed to file a Proposal (as that term is defined in the DIP Term Sheet) with the Proposal Trustee on or before April 21, 2015;

(e) Ivanhoe has failed to receive the required approval of all classes of creditors to a Proposal by May 13, 2015; and

(f) The Trustee has failed to apply to the Court for approval of a Proposal within 5 business days following its approval by all classes of creditors.

82. In accordance with the terms of the DIP Term Sheet, upon the occurrence of any one of the foregoing events of default, Mr. Friedland is entitled to: (a) demand payment of all amounts owing by Ivanhoe; and (b) seek the appointment of a receiver.

C. Demand Letters

83. On June 4, 2015, Mr. Friedland delivered letters to Ivanhoe demanding repayment of all amounts outstanding, due and payable under the Loan Agreement and the DIP Term Sheet. As at the date hereof, Ivanhoe has made no payments to Mr. Friedland on account of these obligations. Copies of the demand letters are attached together hereto as Exhibit "S".

6. Appointment of a Receiver Is Necessary, Just and Convenient

84. All amounts owing under the Loan Agreement and the DIP Term Sheet are now due and payable. Ivanhoe is bankrupt and generates no revenue, and there is no prospect of Ivanhoe repaying the amounts it owes to Mr. Friedland.

85. The Charging Debentures and the DIP Term Sheet provide that Ivanhoe is entitled to appoint a receiver in the event of default under either of those instruments. Such an appointment is necessary to realize on Ivanhoe's assets in a fair and reasonable manner that will maximize the value of Ivanhoe's assets for the benefit of all of Ivanhoe's creditors. Moreover, an accounting firm of the stature of KPMG, which

has strong expertise and experience in the oil and gas sector, will be optimally-positioned to supervise, market and sell Ivanhoe's assets.

86. If appointed, it is expected that the receiver will, among other things, complete the following steps under court supervision:

(a) Receive, preserve, protect and otherwise deal with the assets of Ivanhoe, including the shares of all of its subsidiaries;

(b) Conduct a marketing process to identify parties potentially interested in acquiring some or all of Ivanhoe's assets;

(c) Close a sale transaction and collect the purchase price payable thereunder; and

(d) Make any distributions to any parties entitled thereto with court approval, including Mr. Friedland and the Trustee in Bankruptcy.

87. Mr. Friedland is prepared to advance funds to the receiver (if appointed) for purposes of funding the receivership.

88. I am advised by Yannick Katirai of Stikeman Elliott LLP that KPMG is expected to deliver its consent to its appointment as Receiver prior to the return of Mr. Friedland's application.

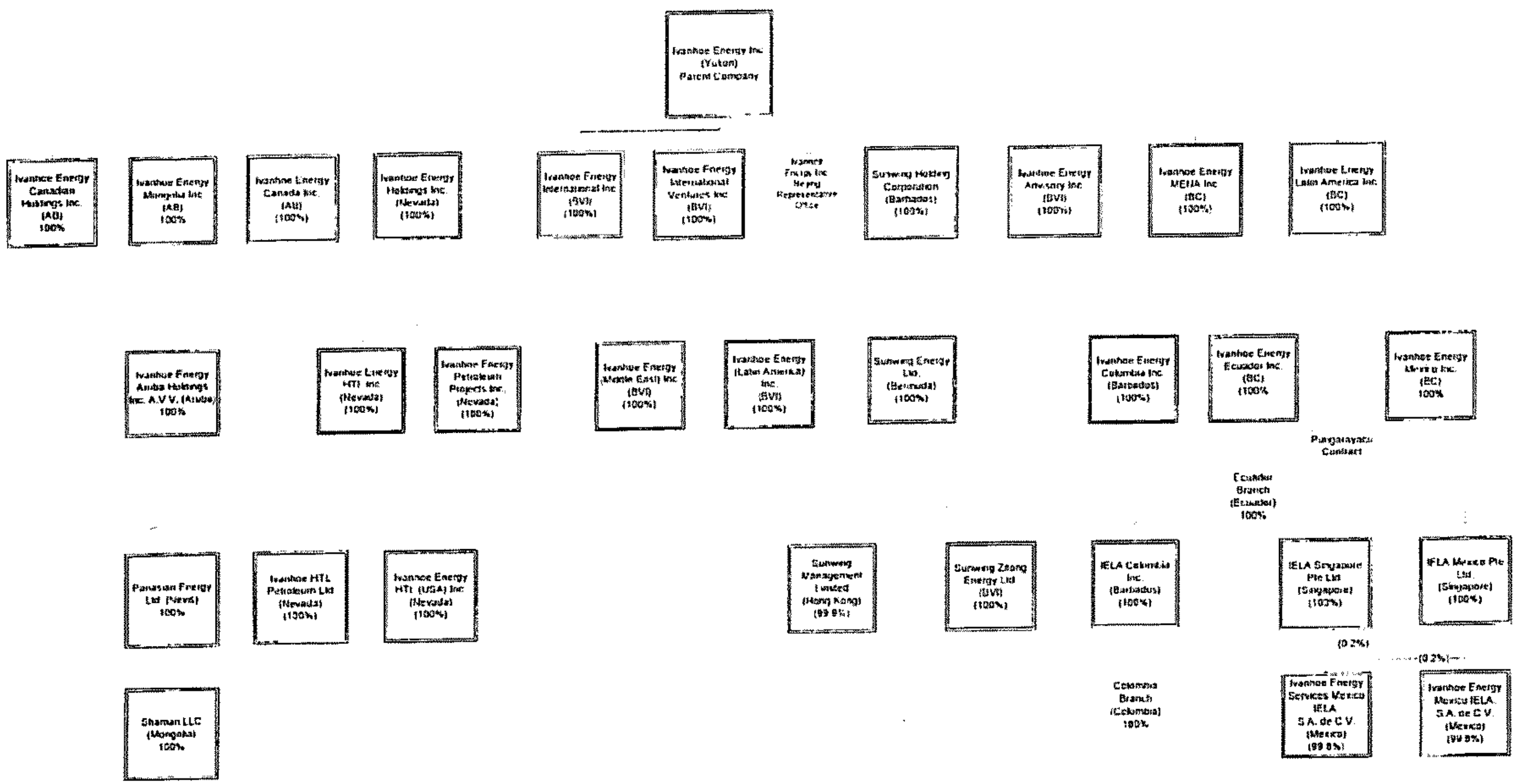
SWORN BEFORE ME at Vancouver, British Columbia, this 9th day of June, 2015.	)))	
Notary Public MATTHEW NIED BARRISTER AND SOLICITOR STIKEMAN ELLIOTT LLP SUITE 1700 PARK PLACE 666 BURRARD STREET VANCOUVER, BRITISH COLUMBIA, CANADA V6C 2X8 (604) 631-1300	)))))	Peter Meredith

This is Exhibit "A"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

IVANHOE ENERGY INC.



Current to August 13, 2014

This is Exhibit "B"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

LOAN AGREEMENT

THIS AGREEMENT dated as of October 10, 2014 is between Ivanhoe Energy Inc. (the "Borrower") and Robert Martin Friedland (the "Lender").

WHEREAS the Borrower wishes to obtain a bridge loan (the "Loan") from the Lender in the amount of Two Million Two Hundred Thousand US Dollars (US$2,200,000);

AND WHEREAS the Borrower intends to use the proceeds of the Loan for its general corporate purposes;

AND WHEREAS the Borrower has agreed to provide Security in respect of the Loan;

NOW THEREFORE this Agreement witnesses that in consideration of the mutual promises, covenants and agreements herein contained, the parties hereby covenant and agree as follows:

PART 1
DEFINITIONS

1.1 As used herein, the following terms shall have the meanings set forth below:

"**Advance Date**" means October 10, 2014.

"**Applicable Rate**" means an annual rate of interest equal to ten percent (10%), calculated semi-annually not in advance.

"**Application Fee**" has the meaning given to such term in Section 4.2.

"**Borrower**" means Ivanhoe Energy Inc., a corporation incorporated under the Laws of the Yukon.

"**Business Day**" means each day other than a Saturday, a Sunday or a statutory holiday in Alberta.

"**Event of Default**" means: (i) a failure by the Borrower to make any principal, interest or fee payment under this Agreement or any other Loan Document when due; (ii) a breach by the Borrower of any other covenant or agreement contained in this Agreement or any other Loan Document and, if such breach is curable and is not a negative covenant, the expiration of a 15-day period following such breach during which the same is not cured; (iii) any representation or warranty made by the Borrower in this Agreement, any other Loan Document or any related document, agreement or certificate, is found to be false or incorrect in any way so as to make it materially misleading when made; (iv) the commencement by the Borrower of a voluntary proceeding under applicable bankruptcy or insolvency legislation ("Bankruptcy Laws") or the commencement by any Person of involuntary proceedings under Bankruptcy Laws against the Borrower that are not dismissed within sixty (60) days after commencement thereof, or a receiver or administrator is appointed for or takes charge of all or substantially all of the property of the Borrower, or the Borrower commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar Law of any jurisdiction whether now or hereafter in effect relating to the Borrower, or the Borrower is adjudicated insolvent or bankrupt, or any order or relief or other order approving any such case or proceeding is entered, or the Borrower makes a general assignment for the benefit of creditors, or any corporate action is taken by the Borrower for the purpose of effecting any of the foregoing; or (v) if there has occurred any other event or development that, in the Lender's opinion, is likely to have a Material Adverse Effect.

"Existing Convertible Debentures" means the 5.75% convertible unsecured subordinated debentures of the Company issued under the debenture indenture dated June 9, 2011 between the Company and BNY Trust Company of Canada.

"Governmental Agency" means any applicable national, local, central, federal, provincial, state, municipal or county government or regional agency and includes any branch, ministry, department, commission, bureau, board, administrative or other authority or regulatory body or instrumentality thereof.

"Indebtedness" means, with respect to any Person, all indebtedness which, in accordance with generally accepted accounting principles, would be classified as liabilities on an unconsolidated balance sheet of such Person plus, without duplication, the following:

(a) letters of credit, bank guarantees and banker's acceptances issued at the request of such Person, guarantees and endorsements other than endorsements on notes, bills and cheques presented to banks for collection or deposit in the ordinary course of business;

(b) other liabilities and obligations in respect of the indebtedness or obligations of third parties;

(c) capital or financial leases, as required by generally accepted accounting principles from time to time to be included as a balance sheet item; and

(d) the aggregate amount at which any shares in the capital of such Person that are redeemable or retractable at the option of the holder may be redeemed or retracted.

"Law" means any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Governmental Agency.

"Lender" means Robert Martin Friedland.

"Loan" has the meaning given to such term in the recitals hereto.

"Loan Documents" has the meaning given to such term in Section 5.1.

"**Lien**" means any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of moneys under any agreement or arrangement whereby such moneys may be withdrawn only upon fulfilment of any condition as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or later acquired, but excluding, for greater certainty, an operating lease entered into in the ordinary course of business.

"**Loan Indebtedness**" means, at the time of determination, the outstanding Principal Balance, all accrued and unpaid interest thereon and all other amounts owed to the Lender by the Borrower under this Agreement and the other Loan Documents.

"**Material Adverse Effect**" means.

(a) any material adverse change in the assets, properties, operations, prospects or condition, financial or otherwise, of the Borrower; or

(b) any material impairment in the ability (financial or otherwise) of the Borrower to fulfil any covenant or obligation to the Lender herein or in any other Loan Document.

"**Material Subsidiary**" means any direct or indirect subsidiary of the Borrower with assets greater than 10% of the Borrower's consolidated assets or with revenues greater than 10% of the Borrower's consolidated revenues, excluding Ivanhoe Energy Latin America Inc. and its subsidiaries (direct and indirect).

"**Maturity Date**" means: (a) the earliest to occur of the following dates: (i) the date that is one hundred and eighty (180) days following the Advance Date; or (ii) the date that is five (5) Business Days following the date on which the Borrower completes a Repayment Financing Transaction; or (b) such later date as is agreed to in writing by the parties hereto.

"**Permitted Debt**" means any one or more of the following:

(a) Indebtedness incurred in the ordinary course of the Borrower's business;

(b) Indebtedness represented by the Existing Convertible Debentures and any debt instruments issued in exchange for the Existing Convertible Debentures that are, in right of payment, inferior, junior and subordinate to the Loan Indebtedness;

(c) Indebtedness incurred in connection with a Repayment Financing Transaction;

(d) Indebtedness incurred with the prior written consent of the Lender; and

(e) any other Indebtedness incurred in any 180-day period not exceeding US$100,000.

"Permitted Dispositions" means any one or more of the following:

(a) dispositions by the Borrower of assets in the ordinary course of the Borrower's business;

(b) dispositions by the Borrower made with the prior written consent of the Lender; and

(c) any other dispositions by the Borrower in any 180-day period of assets having an aggregate fair market value of not more than US$100,000.

"Permitted Liens" means any one or more of the following:

(a) Liens for Taxes, assessments or governmental charges or levies which are not delinquent or the validity of which is being contested at the time by the Borrower in good faith by proper legal proceedings if adequate provision has been made for their payment;

(b) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of construction, maintenance, repair or operation of assets of the Borrower, provided that such Liens are related to obligations not delinquent (taking into account any applicable grace or cure periods), are not registered against title to any assets of the Borrower and in respect of which adequate holdbacks are being maintained as required by applicable Law or such Liens are being contested in good faith by appropriate proceedings and in respect of which there has been set aside a reserve (segregated to the extent required by generally accepted accounting principles) in an adequate amount and provided further that such Liens do not, in the aggregate, materially detract from the value of the assets of the Borrower or materially interfere with the use of such assets in the operation of the business of the Borrower;

(c) easements, rights-of-way, servitudes, restrictions and similar rights in real property comprised in the assets of the Borrower or interests therein granted or reserved to other Persons, provided that such rights do not, in the aggregate, materially detract from the value of the assets of the Borrower or materially interfere with the use of such assets in the operation of the business of the Borrower;

(d) title defects or irregularities which are of a minor nature and which do not, in the aggregate, materially detract from the value of the assets of the Borrower or materially interfere with their use in the operation of the business of the Borrower;

(e) Liens securing appeal bonds and other similar Liens arising in connection with court proceedings (including, without limitation, surety bonds, security for costs of litigation where required by Law and letters of credit) or any other instruments serving a similar purpose;

(f) the reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein or in any comparable grant in jurisdictions other than Canada;

(g) Liens given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operation of the business or the ownership of the assets of the Borrower, provided that such Liens do not, in the aggregate, reduce the value of the assets of the Borrower or materially interfere with their use in the operation of the business of the Borrower;

(h) servicing agreements, development agreements, site plan agreements, and other agreements with governmental entities pertaining to the use or development of any of the assets of the Borrower, provided same are complied with including, without limitation, any obligations to deliver letters of credit and other security as required;

(i) applicable municipal and other governmental restrictions, including municipal by-laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon, provided such restrictions have been complied with;

(j) the right reserved to or vested in any governmental entity by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of the Borrower, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;

(k) Liens in favour of Talisman Energy Canada, but only if and so long as the same are fully subordinated to the Lender's Liens pursuant to a subordination agreement in form and substance satisfactory to the Lender;

(l) Liens in favour of Royal Bank of Canada in respect of (i) all money or amounts on deposit from time to time with Royal Bank of Canada or any of its affiliates, and all proceeds thereof, and/or (ii) moneys or amounts that may from time to time be in deposit in the name of the Borrower with, or owed to the Borrower by, Royal Bank of Canada in connection with account number 00930161593, and all proceeds thereof;

(m) Liens securing debt instruments issued in exchange for the Existing Convertible Debentures that are, in right of payment, inferior, junior and subordinate to the Loan Indebtedness provided that such Liens are, by their terms, inferior, junior and subordinate to the Liens securing the Loan Indebtedness;

(n) Liens securing any debt instruments issued pursuant to a Repayment Financing Transaction;

(o) any Liens in favour of the Lender created by the other Loan Documents; and

(p) any other Liens created with the prior written consent of the Lender.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority, or other entity.

"Principal Balance" means the outstanding principal amount of the Loan, from time to time.

"Repayment Financing Transaction" means any debt, equity or hybrid financing transaction or series of transactions undertaken by the Borrower, the proceeds of which are sufficient to fully repay the Loan Indebtedness.

"Security" has the meaning given to such term in Section 5.1.

"Taxes" means all taxes, levies, imposts, stamp taxes, duties, charges to tax, fees, deductions, withholdings, charges, compulsory loans or restrictions or conditions resulting in a charge which are imposed, levied, collected, withheld or assessed by any country or political subdivision or taxing authority thereof as of the date hereof or at any time in the future together with interest thereon and penalties with respect thereto, if any, and any payments of principal, interest, charges, fees or other amounts made on or in respect thereof (but excluding any taxes, franchise taxes, levies, imposts or charges imposed, levied or assessed in respect of or applied on the overall net income of the Lender, net earnings of the Lender, net profits of the Lender or capital or place of business of the Lender or on goods and services purchased by the Lender and any penalties and payments of principal, interest, charges, fees or other amounts made on or in respect thereof).

PART 2
LOAN

2.1 Subject to and upon the terms and conditions herein set forth, the Lender will, on the Advance Date, advance the Loan to the Borrower.

2.2 The Loan shall be applied by the Borrower for its general corporate purposes and for no other purpose.

PART 3
REPAYMENT

3.1 All Loan Indebtedness outstanding hereunder shall be repayable in full by the Borrower to the Lender on the Maturity Date.

3.2 If the Borrower issues new convertible debentures pursuant to a Repayment Financing Transaction that are secured with Liens having a priority which is equal to or better than the priority of the Lender's Liens, and if the Loan is fully repaid from the proceeds of the Repayment Financing Transaction, then the Lender shall purchase such new convertible debentures in an amount not less than the principal amount of the Loan.

3.3 The Borrower shall have the right, at its option, to prepay all or a portion of the Loan and accrued and unpaid interest without bonus or penalty prior to the Maturity Date in the manner provided for in Section 3.4. Any such partial prepayment will be made in integral multiples of not less than US$100,000.

3.4 Notice of prepayment shall be given to the Lender not less than five (5) days prior to the date fixed for prepayment in the manner provided in Section 3.3. Each such notice shall specify the sum to be prepaid, the date fixed for prepayment and the places of payment.

PART 4
INTEREST AND FEE

4.1 All Loan Indebtedness outstanding from time to time shall bear interest from and including the Advance Date, and both before and after maturity, demand, default and judgment, at the Applicable Rate. Accrued interest shall be payable in accordance with Section 3.1. The amounts received with respect to any prepayments pursuant to Section 3.3 shall first be applied by the Lender to accrued and unpaid interest, and the remainder to the Principal Balance.

4.2 The Borrower shall pay the Lender an application fee equal to 2% of the Loan (the "Application Fee"), which fee will be fully earned upon execution and delivery of this Agreement, and the Borrower hereby irrevocably directs the Lender to pay the Application Fee as a deduction from the advance of the Loan.

PART 5
SECURITY

5.1 The Borrower shall cause to be executed and delivered to the Lender each of the following documents (collectively, together with this Agreement, the "Loan Documents", with the security documents included therein being the "Security"), each in form and substance satisfactory to the Lender and its counsel:

(a) a promissory note from the Borrower evidencing the advance made under the Loan and the terms thereof (in the form attached hereto as Exhibit "A");

(b) a debenture (or similar security document) from the Borrower, creating a fixed Lien over all of the Borrower's present and after-acquired real property (including without limitation oil sands leases), personal property and other assets and undertaking other than the Borrower's interest in Ivanhoe Energy Latin America Inc.;

(c) a subordination agreement from each holder of Liens over assets charged by the Security (including, without limitation, Talisman Energy Canada) other than with respect to Permitted Liens that are permitted by the terms of this Agreement to rank in priority, granting priority to the Lender's Liens over such security-holder's Liens in the subject assets; and

(a) such further security instruments, assurances and supporting documentation as the Lender may from time to time require.

PART 6
ADDITIONAL CONDITIONS PRECEDENT

6.1 No amount shall be advanced hereunder until satisfaction of the following conditions, which conditions precedent are included for the sole benefit of the Lender and are subject to waiver in whole or in part only by the Lender in its discretion:

(a) (i) this Agreement and all of the other Loan Documents shall have been executed and delivered by each party thereto and shall have been duly registered, recorded or filed wherever necessary in order to preserve, protect and perfect the validity and (if applicable) priority of the Lender's Liens pursuant to the Security, and (ii) the Lender shall have received all customary searches to confirm the priority of the Lender's Liens (subject only to Permitted Liens), and (iii) the Lender shall have received certificates of insurance indicating all coverages required hereby in force in amounts and with insurers and with standard mortgage clauses satisfactory to the Lender and assignments of or the naming of the Lender as loss payee under, as the case may be, all such policies of insurance;

(b) all of the representations and warranties of the Borrower in this Agreement and the other Loan Documents and any related documentation delivered to the Lender shall be true and correct as at the date of the advance as if made on such date, and the Borrower shall have complied with all covenants on its part to be performed in this Agreement and the other Loan Documents; and

(c) no Event of Default shall have occurred and no event shall have occurred or condition exist which would, with the giving of notice or the passage of time or both, constitute an Event of Default.

PART 7
REPRESENTATIONS AND WARRANTIES

7.1 The Borrower represents and warrants to the Lender, and acknowledges that the Lender is relying upon such representations and warranties in making the Loan available, that as of this date and as of the date of the advance of the Loan:

(1) The Borrower has no Material Subsidiaries.

(2) The Borrower is duly incorporated, organized and validly subsisting under the Laws of its jurisdiction of incorporation and is in good standing under the Laws of each jurisdiction in which it carries on business or has assets.

(3) The Borrower has all requisite corporate power and authority and all necessary licences and governmental approvals required to own and operate its business as currently conducted, to borrow, to give guarantees, to give security for such

borrowing/guarantees and to otherwise to perform its obligations under this Agreement and the other Loan Documents.

(4) The Borrower has a good and marketable title to all its property and assets, free and clear of all Liens and adverse rights of third parties except Permitted Liens.

(5) All written information provided to the Lender by the Borrower in connection with the Loan, including, without limitation, information relating to the financial position of the Borrower, is, in all material respects, true, complete and accurate.

(6) Neither the execution nor the delivery of this Agreement or any of the other Loan Documents nor the performance by the Borrower of any of its obligations hereunder or thereunder has resulted or will result in a breach of, or constitute a default under, any indenture, agreement or instrument to which it is a party or by which it is bound or be in contravention of its constating documents, by-laws or resolutions of its directors or shareholders.

7.2 The representations and warranties in this Agreement and the other Loan Documents or contained in any certificates or documents delivered to the Lender pursuant to this Agreement shall not merge in or be prejudiced by and shall survive the advance of the Loan and shall continue in full force and effect so long as any amounts are owing by the Borrower to the Lender.

PART 8
COVENANTS

8.1 The Borrower covenants and agrees with the Lender as follows:

(1) The Borrower shall do, observe and perform or cause to be done, observed or performed all of the obligations and all material matters and things necessary or expedient to be done, observed or performed by virtue of any Law for the purpose of carrying on its business.

(2) The Borrower shall maintain and preserve all of its properties, assets, licences and governmental approvals which are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted.

(3) The Borrower shall promptly pay and discharge, when the same shall become due, all Taxes imposed upon it or upon its income or profits or any property belonging to it.

(4) The Borrower shall obtain and maintain in effect insurance (including, without limitation, liability insurance) in respect of such hazards, in such amounts and with such insurers as the Lender may reasonably require and shall cause the Lender to be named at all times as loss payee under the insurance so maintained.

(5) The Borrower shall not assign, transfer or otherwise dispose of any of its assets, except for Permitted Dispositions.

(6) The Borrower shall not create or suffer to exist any Lien or other adverse claim upon its assets, whether now owned or hereafter acquired, other than Permitted Liens.

(7) The Borrower shall not issue, assume or incur any Indebtedness, except for Permitted Debt.

(8) The Borrower shall not, without the prior written consent of the Lender, prepay any other material Indebtedness (other than Indebtedness owing to Newstar Securities SRL) prior to its stated maturity or regularly scheduled payment dates.

(9) The Borrower shall not, without the prior written consent of the Lender, amalgamate, merge or consolidate with or into, or sell all or substantially all of its assets to, (whether in a single transaction or a series of transactions) any Person.

(10) The Borrower shall, forthwith upon becoming aware of the same, promptly advise the Lender of any Event of Default or non-compliance by the Borrower with the requirements of this Agreement or the other Loan Documents.

(11) The Borrower shall, at any time or times within five Business Days after written request by the Lender for same, furnish to the Lender a certificate duly executed by its proper officers stating that the Borrower has kept, observed, complied with, fulfilled and performed each and every term, covenant and condition in this Agreement and the other Loan Documents on the Borrower's part to be kept and performed.

(12) The Borrower shall, at the request of the Lender, execute and deliver or cause to be executed and delivered, all such other Loan Documents as the Lender may require from time to time, and all such other documents, instruments or certificates as the Lender may reasonably require from time to time for the purpose of giving full effect to this Agreement and the other Loan Documents.

PART 9
EVENTS OF DEFAULT AND REMEDIES

9.1 In addition to the other rights and remedies contained herein and in the other Loan Documents, upon the occurrence and during the continuance of an Event of Default, the Lender may, by notice given in accordance herewith to the Borrower, declare the Principal Balance and all accrued and unpaid interest thereon and all other Loan Indebtedness to be forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in the other Loan Documents to the contrary notwithstanding.

9.2 The rights and remedies of the Lender are cumulative and are in addition to and not in substitution for any rights or remedies provided by Law; any single partial exercise by the Lender of any right or remedy for a default or a breach of any term, covenant, condition or agreement contained herein or in the other Loan Documents, shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for the same default or breach.

9.3 The taking of a judgment or judgments or any other action or dealing whatsoever by the Lender will not operate as a merger of any of the obligations owing to the Lender or in any suspended payment or affect or prejudice the rights, remedies and powers, legal or equitable, which the Lender may have in connection with such obligations.

PART 10
DEDUCTION OR WITHHOLDING REQUIREMENTS

10.1 All payments made by the Borrower to the Lender on account of principal, interest or fees in respect of the Loan shall be made free and clear of all withholdings and deductions on account of Taxes. If the Borrower is required under applicable Law to deduct or withhold Taxes from a payment to the Lender, it will:

(a) make those deductions or withholdings or both;

(b) pay to the appropriate Governmental Agency the full amount deducted or withheld as required by the applicable Law;

(c) provide the Lender a receipt for each payment provided for in subsection (b); and

(d) increase its payment to the Lender to an amount which will result in the Lender receiving the full amount which would have been received if no deduction or withholding had been required.

PART 11
MISCELLANEOUS

11.1 All payments made by a party to the other party pursuant to this Agreement shall be made in United States dollars, that at the time of payment is legal tender for the payment of public and private debts by transfer of immediately available funds into an account of the payee designated by the payee in writing to the payor at least two (2) Business Days before the payor makes such payment.

11.2 All notices and other communications given or made in connection with this Agreement or the other Loan Documents shall be in writing and sent by certified or registered mail, return receipt requested, or by overnight delivery service, with all charges prepaid, to the applicable party at the addresses set out below, or by facsimile transmission (including, without limitation, computer generated facsimile), promptly confirmed in writing sent by first class mail to the facsimile numbers and addresses set out below:

If to the Lender: Robert Martin Friedland
c/o Ivanhoe Capital Pte Ltd.
150 Beach Road, #25-03 The Gateway West
Singapore 189720

Facsimile: +65.6338.8228

If to the Borrower: Ivanhoe Energy Inc.
Suite 654 - 999 Canada Place
Vancouver, British Columbia V6C 3E1

Attention: Corporate Secretary
Facsimile: (604) 682-2060

with a copy to:

Ivanhoe Energy Inc.
Suite 1900, 101 - 6th Avenue SW
Calgary, Alberta T2P 3P4

Attention: Chief Financial Officer
Facsimile: (403) 261-2698

11.3 The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The word "dollar" or the symbol "$" shall be deemed to mean the currency of the United States of America.

11.4 This Agreement shall be governed by and construed in accordance with the Laws of Alberta.

11.5 This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

11.6 The Lender may assign all or otherwise transfer all or any part of its interest in, and may grant participations in all or any part of its interests in, the Loan, this Agreement and the other Loan Documents to any other Person. This Agreement may not be assigned by the Borrower without the prior written consent of the Lender.

11.7 Time shall be of the essence of this Agreement.

11.8 In the event that any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

11.9 The parties shall do, or cause to be done, all such further acts and things and shall execute, or cause to be executed, all such further deeds, documents and instruments as may be reasonably necessary for the purpose of giving full effect to the transaction contemplated by this Agreement.

11.10 All costs incurred by the Lender in the negotiation and preparation of this Agreement and the other Loan Documents, advancing funds and enforcing its rights hereunder and thereunder, including, without limitation, the fees and disbursements of counsel to the Lender, shall be paid by the Borrower and may be deducted from amount advanced.

11.11 As the context requires, words importing the singular number shall include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.

11.12 All accounting terms not otherwise specifically defined in this Agreement shall be construed in accordance with generally accepted accounting principles consistently applied.

11.13 In this Agreement: (i) reference to any body corporate shall include successors thereto, whether by way of amalgamation or otherwise; (ii) references to any statute, enactment or legislation or to any section or provision thereof include a reference to any order, ordinance, regulation, rule or by-law or proclamation made under or pursuant to that statute, enactment or legislation and all amendments, modifications, consolidations, re-enactments or replacements thereof or substitutions therefor from time to time; and (iii) reference to any agreement, instrument, permit or other document shall include reference to such agreement, instrument, permit or other document as the same may from time to time be amended, supplemented or restated.

11.14 Notwithstanding any other provision of this Agreement or any other Loan Document:

(a) In this Section 11.14, "interest" and "credit advanced" have the meanings ascribed to them in Section 347 of the Criminal Code (Canada), and "Canadian Maximum Rate" means the highest effective annual rate of interest calculated in accordance with generally accepted actuarial practices and principles, on the credit advanced under an agreement or arrangement, which is lawfully permitted under Section 347 of the Criminal Code (Canada).

(b) If, by entering into this Agreement and the other Loan Documents, the Lender has entered into an agreement or arrangement to receive interest, on the credit advanced under this Agreement, in an amount which exceeds the Canadian Maximum Rate, then the interest will be reduced to the extent required to eliminate such excess (in the manner specified below).

(c) If interest in the aggregate, on the credit advanced under this Agreement, is or is about to be received in an amount which exceeds the Canadian Maximum Rate, then the interest will be reduced, with retroactive effect, to the extent required to eliminate such excess (in the manner specified below), and if and to the extent so reduced the Lender will return the same.

(d) Any reduction of interest pursuant to clause (b) or clause (c) above will be made in the following order (in each case, only to the extent required): firstly, a reduction of any prepayment premium; secondly, a reduction of the Application Fee; thirdly, a reduction of the amounts to be paid on account of the Lender's legal fees and other out-of-pocket expenses; fourthly, a reduction of the Applicable Rate; and lastly, a reduction of any other amount(s) which constitute(s) interest.

In the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries qualified for a period of ten (10) years and appointed by the Lender will be conclusive for the purposes of such determination. A certificate of an authorized signing officer of the Lender as to each amount and/or each rate of interest payable hereunder from time to time shall be conclusive evidence of such amount and of such rate, absent manifest error.

11.15 In the event of any conflict between the provisions of this Agreement and the provisions of any of the other Loan Documents, the provisions of this Agreement shall prevail to the extent of such conflict.

11.16 This Agreement represents the entire agreement and understanding of the parties with respect to the transactions set forth herein and no representations or warranties have been made in connection with this Agreement or the transactions contemplated hereby other than those expressly set forth herein. No prior drafts of or term sheets relating to this Agreement or the transactions contemplated hereby and no words or phrases from any such prior drafts shall be admissible into evidence in any action or suit involving this Agreement.

[Signature page(s) follow]

IN WITNESS WHEREOF the undersigned have executed this Loan Agreement as of the date first written above.

BORROWER:

IVANHOE ENERGY INC.

By: CACabrera
Name: CARLOS A. CABRERA
Title: EXECUTIVE CHAIRMAN

LENDER:

ROBERT MARTIN FRIEDLAND

By: ______________________
Name:
Title:

389315 v2

IN WITNESS WHEREOF the undersigned have executed this Loan Agreement as of the date first written above.

BORROWER:

IVANHOE ENERGY INC.

By: ______________________
Name:
Title:

LENDER:

ROBERT MARTIN FRIEDLAND

By: ______________________
Name:
Title:

EXHIBIT "A"
NOTE

US$2,200,000 October __, 2014

FOR VALUE RECEIVED, IVANHOE ENERGY INC., a company incorporated under the Laws of Yukon (hereinafter called the "Borrower") unconditionally promises to pay to the order of ROBERT MARTIN FRIEDLAND (hereinafter called the "Lender"), on or before the Maturity Date (as defined in the Loan Agreement described below) at the Lender's principal office or such other address as may be designated from time to time by Lender, the lesser of Two Million Two Hundred Thousand US Dollars (US$2,200,000) or the Principal Balance, and to pay interest on such unpaid Principal Balance, the payment of such principal and interest to be in accordance with the Loan Agreement. All such principal and interest shall be payable in immediately available funds in lawful currency of the United States of America.

The term "Principal Balance" shall mean the outstanding principal balance of this Note, as reduced from time to time in accordance herewith and with the Loan Agreement. Interest will accrue on the Principal Balance at the Applicable Rate (as defined in the Loan Agreement).

Unless otherwise required by the Loan Agreement, in the event that any date for payment of interest or principal hereunder is not a Business Day, such payment shall be due on the next succeeding day which is a Business Day and interest shall accrue for such extension of time.

This Note is the Note referred to in, and is entitled to the benefits of, the Loan Agreement dated as of October __, 2014(herein called the "**Loan Agreement**") between the Borrower and the Lender, which Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

No course of dealing between the Borrower and the holder hereof or any delay on the part of the holder hereof in exercising any rights hereunder shall operate as a waiver of any rights of any holder hereof. Capitalized terms used and not defined herein shall have the meanings given to them in the Loan Agreement. All the covenants, stipulations, promises and agreements in this Note contained by or on behalf of the Borrower shall bind any successor and assigns, whether permitted or not and whether so expressed or not. This Note shall be construed in accordance with and governed by the Laws of Alberta.

BORROWER:

IVANHOE ENERGY INC.

By: ______________________________

Name:

Title:

This is Exhibit "C"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

NOTE

US$2,200,000 October 10, 2014

FOR VALUE RECEIVED, IVANHOE ENERGY INC., a company incorporated under the Laws of Yukon (hereinafter called the "Borrower") unconditionally promises to pay to the order of ROBERT MARTIN FRIEDLAND (hereinafter called the "Lender"), on or before the Maturity Date (as defined in the Loan Agreement described below) at the Lender's principal office or such other address as may be designated from time to time by Lender, the lesser of Two Million Two Hundred Thousand US Dollars (US$2,200,000) or the Principal Balance, and to pay interest on such unpaid Principal Balance, the payment of such principal and interest to be in accordance with the Loan Agreement. All such principal and interest shall be payable in immediately available funds in lawful currency of the United States of America.

The term "Principal Balance" shall mean the outstanding principal balance of this Note, as reduced from time to time in accordance herewith and with the Loan Agreement. Interest will accrue on the Principal Balance at the Applicable Rate (as defined in the Loan Agreement).

Unless otherwise required by the Loan Agreement, in the event that any date for payment of interest or principal hereunder is not a Business Day, such payment shall be due on the next succeeding day which is a Business Day and interest shall accrue for such extension of time.

This Note is the Note referred to in, and is entitled to the benefits of, the Loan Agreement dated as of October 10, 2014(herein called the "Loan Agreement") between the Borrower and the Lender, which Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

No course of dealing between the Borrower and the holder hereof or any delay on the part of the holder hereof in exercising any rights hereunder shall operate as a waiver of any rights of any holder hereof. Capitalized terms used and not defined herein shall have the meanings given to them in the Loan Agreement. All the covenants, stipulations, promises and agreements in this Note contained by or on behalf of the Borrower shall bind any successor and assigns, whether permitted or not and whether so expressed or not. This Note shall be construed in accordance with and governed by the Laws of Alberta.

BORROWER:

IVANHOE ENERGY INC.

By: CACabrera

Name: CARLOS A. CABRERA

Title: EXECUTIVE CHAIRMAN

This is Exhibit "D"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

Alberta Government

SECURITY NOTICE

1500706

FOR DEPARTMENT USE ONLY:

REGISTERED by the Minister of Energy
this 17 day of February
2015, as Reg. No. 1500706
g. Tahir
for Minister of Energy

(Do not write above this line)

A Full name of secured party:

ROBERT MARTIN FRIEDLAND

B Secured party's address for service:

c/o Ivanhoe Capital Pte Ltd., 150 Beach Road, #25-03 The Gateway West, Singapore 189720

C The secured party hereby gives notice that it has a security interest affecting the following Crown mineral rights agreement(s) (type and number):

Oil Sands Lease Agreement numbers 074 7401100010 and 074 7405110606

D Description of security instrument:

1. Full name of corporation or individual who gave the security instrument:

Ivanhoe Energy Inc.

2. Describe the nature of the interest held by the corporation or individual (named in Part D1) in the Crown mineral rights agreement(s) listed in Part C, over which the secured party has a security interest:

Direct Interest

3. Identify and describe the security instrument (including its date) from which the secured party's security interest arises:

☐ Bank assignment under the *Bank Act*

☒ Debenture
First Supplemental Debenture dated February 10, 2015 between Ivanhoe Energy Inc. as chargor and Robert Martin Friedland as holder

☐ Mortgage

☐ Other (please specify)

E. Was a registered security notice relating to the same security interest cancelled according to section 98(9) of the *Mines and Minerals Act*?

☐Yes (If so, please attach order of the Court of Queen's Bench which grants leave for the submission of this security notice for registration)
☒No

F. Affidavit
I, Amy Nugent, of the City of Calgary, in the Province of Alberta, a barrister and solicitor at Stikeman Elliott LLP, agent for the secured party, make oath and say as follows:

1. I am the solicitor/agent for the secured party.

2. I believe that the secured party has a good and valid security interest on the Crown mineral rights agreements described in Part C, and I say that this security notice is not being filed for the purpose of delaying or embarrassing any person interested in or proposing to deal with it.

SWORN before me at the City of Calgary, in the Province of Alberta this 13th day of February, 2015

Amy Nugent
Signature of Agent for Secured Party

(A Commissioner of Oaths in and for the Province of Alberta)

Catherine Grygar
Barrister & Solicitor
(Printed or stamped name of Commissioner of Oaths and if applicable, date on which appointment expires)

Note: Registration of a security notice is subject to a fee of $50.00 for each agreement against which the notice is registered.

Alberta Government

SECURITY NOTICE 1500705

FOR DEPARTMENT USE ONLY:

REGISTERED by the Minister of Energy this 17 day of February 2005, as Reg. No. 1500705

J. Talbot

for Minister of Energy

(Do not write above this line)

A Full name of secured party:

ROBERT MARTIN FRIEDLAND

B Secured party's address for service:

c/o Ivanhoe Capital Pte Ltd., 150 Beach Road, #25-03 The Gateway West, Singapore 189720

C The secured party hereby gives notice that it has a security interest affecting the following Crown mineral rights agreement(s) (type and number):

Oil Sands Lease Agreement numbers 074 7401100010 and 074 7405110606

D Description of security instrument:

1. Full name of corporation or individual who gave the security instrument:

Ivanhoe Energy Inc.

2. Describe the nature of the interest held by the corporation or individual (named in Part D1) in the Crown mineral rights agreement(s) listed in Part C, over which the secured party has a security interest:

Direct Interest

3. Identify and describe the security instrument (including its date) from which the secured party's security interest arises:

☐ Bank assignment under the *Bank Act*

☒ Debenture

Fixed and Floating Charge Debenture dated October 10, 2014 granted by Ivanhoe Energy Inc. in favour of Robert Martin Friedland

☐ Mortgage

☐ Other (please specify)

E. Was a registered security notice relating to the same security interest cancelled according to section 98(9) of the *Mines and Minerals Act*?

☐Yes (If so, please attach order of the Court of Queen's Bench which grants leave for the submission of this security notice for registration)
☒No

F. **Affidavit**
I, Amy Nugent, of the City of Calgary, in the Province of Alberta, a barrister and solicitor at Stikeman Elliott LLP, agent for the secured party, make oath and say as follows:

1. I am the solicitor/agent for the secured party.

2. I believe that the secured party has a good and valid security interest on the Crown mineral rights agreements described in Part C, and I say that this security notice is not being filed for the purpose of delaying or embarrassing any person interested in or proposing to deal with it.

SWORN before me at the City of Calgary, in the Province of Alberta this 13th day of February, 2015

Amy Nugent
Signature of Agent for Secured Party

(A Commissioner of Oaths in and for the Province of Alberta)

Catherine Grygar
Barrister & Solicitor
(Printed or stamped name of Commissioner of Oaths and if applicable, date on which appointment expires)

Note: Registration of a security notice is subject to a fee of $50.00 for each agreement against which the notice is registered.

6350?? v1

This is Exhibit "E"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

Government of Alberta

Personal Property Registry
Verification Statement

<u>Transmitting Party</u>
STIKEMAN ELLIOTT LLP

4300 BANKERS HALL WEST-888 3 ST SW
CALGARY, AB T2P 5C5

Party Code: 50073519
Phone #: 403 266 9000
Reference #: 133987-1007

Land Charge

Control #: F03438769 **Registration Date:** 2014-Oct-09 **Registration #:** 14100924632

Government
of Alberta ■

Personal Property Registry
Verification Statement

Land Charge

Control #: F03438769 **Registration Date:** 2014-Oct-09 **Registration #:** 14100924632

The Registration Term is Infinity

Debtor(s)

Block

1 IVANHOE ENERGY INC.
Ste 654 - 999 Canada Place
Vancouver, BC V6C 3E1

Secured Party / Parties

Block

1 FRIEDLAND, ROBERT, MARTIN
150 Beach RD, #25-03 The Gateway West
Singapore, XX 189720

Particulars

Block	Additional Information
1	The complete address of Secured Party Block 1 is as follows: C/O IVANHOE CAPITAL PTE LTD., 150 Beach Road, #25-03 The Gateway West, Singapore 189720

End of Verification Statement

Government of Alberta ■

Personal Property Registry
Verification Statement

<u>Transmitting Party</u>
STIKEMAN ELLIOTT LLP

4300 BANKERS HALL WEST-888 3 ST SW
CALGARY, AB T2P 5C5

Party Code: 50073519
Phone #: 403 266 9000
Reference #: 133987-1007

Security Agreement

Control #: F03438751 **Registration Date:** 2014-Oct-09 **Registration #:** 14100924624

Financing Change Statement

Use this section to Renew or Discharge this Registration. Note before returning, make a photocopy for your file.

Place an (X) in the appropriate box

Renew for: ☐ (1-25 years) ______

<u>OR</u> **Renew for Infinity:** ☐

Total Discharge : ☐ **Discharge permanently removes <u>ALL</u> record of the registration(s).**

Name of Person Authorized to Complete this section	Authorized Signature	Area Code & Telephone #:	Reference #:

Government
of Alberta ■

Personal Property Registry
Verification Statement

Security Agreement

Control #: F03438751 **Registration Date:** 2014-Oct-09 **Registration #:** 14100924624

The Registration Term Is 5 Years

This Registration Expires at 11:59 PM on 2019-Oct-09

Debtor(s)

Block

1 IVANHOE ENERGY INC.
Ste 654 - 999 Canada Place
Vancouver, BC V6C 3E1

Secured Party / Parties

Block

1 FRIEDLAND, ROBERT, MARTIN
150 Beach RD, #25-03 The Gateway West
Singapore, XX 189720

Collateral: General

Block	Description
1	All present and after-acquired personal property of the debtor.

Particulars

Block	Additional Information
1	The complete address of Secured Party Block 1 is as follows: C/O IVANHOE CAPITAL PTE LTD., 150 Beach Road, #25-03 The Gateway West, Singapore 189720

End of Verification Statement

This is Exhibit "F"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

Page: 1

BC OnLine: DOCUMENT PRINT 2014/10/08
Lterm: XPSP0054 For: PR12804 STIKEMAN ELLIOTT LLP 16:00:57

Attn./Ref. No.: 133987-1007

*************** P P S A S E C U R I T Y A G R E E M E N T ***************

Reg. Date: OCT 08, 2014 Reg. Length: 5 YEARS
Reg. Time: 16:00:57 Expiry Date: OCT 08, 2019
Base Reg. #: 224798I Control #: D2694375

Block#

S0001 Secured Party: ROBERT MARTIN FRIEDLAND
150 BEACH RD, #25-03 GATEWAY W
SINGAPORE SING 189720

D0001 Base Debtor: IVANHOE ENERGY INC
(Business) STE 654 - 999 CANADA PLACE
VANCOUVER BC V6C 3E1

General Collateral:
ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, INCLUDING WITHOUT LIMITATION FIXTURES, AND AN UNCRYSTALLIZED FLOATING CHARGE ON LAND (AND TERMS USED HEREIN THAT ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA OR THE REGULATIONS MADE THEREUNDER HAVE THOSE DEFINED MEANINGS). THE COMPLETE ADDRESS FOR THE SECURED PARTY IS: C/O IVANHOE CAPITAL PTE LTD., 150 BEACH ROAD, #25-03 THE GATEWAY WEST, SINGAPORE 189720.

Registering
Party: STIKEMAN ELLIOTT LLP
1700-666 BURRARD STREET
VANCOUVER BC V6C 2X8

>>>>>>>>>>>>>>>>>>>>>>>>>>> END OF DOCUMENT PRINT <<<<<<<<<<<<<<<<<<<<<<<<<<<

This is Exhibit "G"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

LOAN AGREEMENT AMENDMENT

THIS AGREEMENT dated as of December 24, 2014 is between Ivanhoe Energy Inc. (the "Borrower") and Robert Martin Friedland (the "Lender") is an amendment of the loan agreement dated as of October 10, 2014 between the same parties (the "Loan Agreement").

NOW THEREFORE this Agreement witnesses that in consideration of the mutual promises, covenants and agreements herein contained, the parties hereby covenant and agree as follows:

PART 1
AMENDMENTS

1.1 The following amendments are hereby made in respect of the Loan Agreement:

(a) The first recital is revised to read as follows:

"WHEREAS the Borrower wishes to obtain a bridge loan from the Lender in the amount of, initially, Two Million Two Hundred Thousand US Dollars (US$2,200,000) (the "Initial Advance") plus, subsequently, the amount of Five Hundred Forty Thousand US Dollars (US$540,000) (the "Second Advance") (collectively, the "Loan");"

(b) The "Advance Date" definition is revised to read as follows:

""Advance Date" means, in respect of the Initial Advance, October 10, 2014, and, in respect of the Second Advance, December 24, 2014."

(c) The "Maturity Date" definition is revised by replacing "the Advance Date" with "the Advance Date in respect of the Initial Advance".

(d) Section 2.1 is revised to read as follows:

"Subject to and upon the terms and conditions herein set forth, the Lender will advance the Loan to the Borrower as follows: (a) the Initial Advance on the Advance Date relating thereto, and (b) the Second Advance on the Advance Date relating thereto."

(e) Section 2.2 is revised to read as follows:

"The Loan shall be applied by the Borrower for the following purposes (and for no other purpose): (a) in the case of the Initial Advance, for the Borrower's general corporate purposes; and (b) in the case of the Second Advance, for premiums due in respect of the Borrower's directors & officers insurance policy and the balance of the Second Advance, for general corporate purposes."

(f) Section 4.1 is revised by replacing "the Advance Date" with "the applicable Advance Date".

(g) Section 4.2 is revised by replacing (in both places) "the Loan" with "the Initial Advance".

(h) Section 5.1(a) is revised by replacing "the advance" with "each advance".

(i) Section 7.1 is revised, in the third line, by replacing "the advance" with "each advance".

PART 2
MISCELLANEOUS

2.1 The provisions of sections 11.3, 11.4, 11.5, 11.7, 11.8, 11.11, 11.12, 11.13, 11.15 and 11.16 of the Loan Agreement shall apply to this Agreement as if fully set forth herein (with necessary changes made).

2.2 Except to the extent expressly amended hereby, all remaining terms of the Loan Agreement remain in full force and effect, unamended.

[Signature page(s) follow]

IN WITNESS WHEREOF the undersigned have executed this Loan Agreement Amendment as of the date first written above.

BORROWER:

IVANHOE ENERGY INC.

By: CACornia
Name:
Title:

LENDER:

ROBERT MARTIN FRIEDLAND

By:
Name:
Title:

IN WITNESS WHEREOF the undersigned have executed this Loan Agreement Amendment as of the date first written above.

BORROWER:

IVANHOE ENERGY INC.

By:
Name:
Title:

LENDER:

ROBERT MARTIN FRIEDLAND

By:
Name:
Title:

This is Exhibit "H"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

DIRECTION

TO: **ROBERT MARTIN FRIEDLAND**

RE: **Loan Agreement dated as of October 10, 2014 between the Robert Martin Friedland ("Lender") and Ivanhoe Energy Inc. ("Borrower"), as amended by an amendment dated on or about the date hereof between the same parties (collectively, herein called the "Loan Agreement")**

Reference is made to the Loan Agreement and to a Note with the principal amount of Five Hundred and Forty Thousand US Dollars (US$540,000) issued pursuant to the Loan Agreement on the date hereof. Capitalized terms not defined herein have the meanings given such terms in the Loan Agreement.

The Borrower hereby irrevocably directs the Lender to transfer a portion of the principal amount, consisting of US$533,600 to the following account, by way of wire transfer as follows:

Correspondent Bank:	JP Morgan Chase Manhattan Bank 270 Park Avenue, New York
Swift Code:	CHASUS33, ABA # 021000021
Beneficiary Bank:	Royal Bank of Canada 200 Bay Street, Toronto, Ontario, M5J 2J5
Swift Code:	ROYCCAT2
Financial Institution #:	0003
Clearing Code:	//CC000300002

For the account of:

Marsh Canada Limited
161 Bay Street
Toronto, Ontario
M5J 2S4
Account#: 4006110
Transit: 00002

and directs the balance be paid to an account of the Borrower as designed in writing by the Borrower.

[rest of page intentionally left blank]

DATED the 24th day of December, 2014.

IVANHOE ENERGY INC.

By: CACorbin

This is Exhibit "I"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

NOTE

US$540,000 December 29, 2014

FOR VALUE RECEIVED, IVANHOE ENERGY INC., a company incorporated under the Laws of Yukon (hereinafter called the "Borrower") unconditionally promises to pay to the order of ROBERT MARTIN FRIEDLAND (hereinafter called the "Lender"), on or before the Maturity Date (as defined in the Loan Agreement described below) at the Lender's principal office or such other address as may be designated from time to time by Lender, the lesser of Five Hundred and Forty Thousand US Dollars (US$540,000) or the Principal Balance, and to pay interest on such unpaid Principal Balance, the payment of such principal and interest to be in accordance with the Loan Agreement. All such principal and interest shall be payable in immediately available funds in lawful currency of the United States of America.

The term "Principal Balance" shall mean the outstanding principal balance of this Note, as reduced from time to time in accordance herewith and with the Loan Agreement. Interest will accrue on the Principal Balance at the Applicable Rate (as defined in the Loan Agreement).

Unless otherwise required by the Loan Agreement, in the event that any date for payment of interest or principal hereunder is not a Business Day, such payment shall be due on the next succeeding day which is a Business Day and interest shall accrue for such extension of time.

This Note is one of the promissory notes referred to in, and is entitled to the benefits of, the Loan Agreement dated as of October 10, 2014 between the Borrower and the Lender as amended by an amendment dated on or about the date hereof between the same parties (collectively, herein called the "Loan Agreement"), which agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

No course of dealing between the Borrower and the holder hereof or any delay on the part of the holder hereof in exercising any rights hereunder shall operate as a waiver of any rights of any holder hereof. Capitalized terms used and not defined herein shall have the meanings given to them in the Loan Agreement. All the covenants, stipulations, promises and agreements in this Note contained by or on behalf of the Borrower shall bind any successor and assigns, whether permitted or not and whether so expressed or not. This Note shall be construed in accordance with and governed by the Laws of Alberta.

BORROWER:

IVANHOE ENERGY INC.

By: ______________________

Name:

Title:

DIRECTION

TO:	**ROBERT MARTIN FRIEDLAND**
RE:	**Loan Agreement dated as of October 10, 2014 between the Robert Martin Friedland ("Lender") and Ivanhoe Energy Inc. ("Borrower"), as amended by an amendment dated on or about the date hereof between the same parties (collectively, herein called the "Loan Agreement")**

Reference is made to the Loan Agreement and to a Note with the principal amount of Five Hundred and Forty Thousand US Dollars (US$540,000) issued pursuant to the Loan Agreement on the date hereof. Capitalized terms not defined herein have the meanings given such terms in the Loan Agreement.

The Borrower hereby irrevocably directs the Lender to transfer a portion of the principal amount, consisting of US$533,600 to the following account, by way of wire transfer as follows:

Correspondent Bank:	JP Morgan Chase Manhattan Bank 270 Park Avenue, New York
Swift Code:	CHASUS33, ABA # 021000021
Beneficiary Bank:	Royal Bank of Canada 200 Bay Street, Toronto, Ontario, M5J 2J5
Swift Code:	ROYCCAT2
Financial Institution #:	0003
Clearing Code:	//CC000300002

For the account of:

Marsh Canada Limited
161 Bay Street
Toronto, Ontario
M5J 2S4

Account#:	4006110
Transit:	00002

and directs the balance be paid to an account of the Borrower as designed in writing by the Borrower.

[rest of page intentionally left blank]

395731 v2

DATED the 29th day of December, 2014.

IVANHOE ENERGY INC.

By: CACorzhlu

This is Exhibit "J"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

LOAN DISBURSEMENT REQUEST AND DIRECTION

TO: **ROBERT MARTIN FRIEDLAND**

RE: **Loan Agreement dated as of October 10, 2014 between Robert Martin Friedland (the "Lender") and Ivanhoe Energy Inc. (the "Borrower"), as amended by amendment dated as of December 29, 2014 and an amendment dated on or about the date hereof (collectively, herein called the "Loan Agreement")**

Reference is made to the Loan Agreement and to a Note dated on or about the date hereof in the principal amount of Two Million Three Hundred Seventy Thousand and Sixteen US Dollars (US $2,370,016) issued pursuant to the Loan Agreement. Capitalized terms not defined herein have the meanings given such terms in the Loan Agreement.

The Borrower hereby requests and irrevocably directs the Lender to forthwith, as a partial disbursement of the Third Advance to or to the order of the Borrower, make the following payment(s) (in such amount(s) and to such person(s)/account(s)) directly to the following person(s)/account(s), by way of wire transfer:

US $883,070 in respect of statutory severance to:

Beneficiary Bank: Banco Pichincha
Beneficiary Bank Address: Amazonas No. 4545 y Pereira
Swift Code: PICHECEQ
Financial Institution #: --
Clearing Code: ---

For the account of:
Name: Ivanhoe Energy Ecuador Inc.
Address: Chimborazo 705 y Pampite
City: Cumbaya, Quito, Ecaudor
Account#: 3400516404
Transit: ----

DATED the 10th day of February, 2015.

IVANHOE ENERGY INC.

By: CA Cozzarra

Lender Rep Initials: [illegible]

399445 v1

LOAN DISBURSEMENT REQUEST AND DIRECTION
Second Request

TO: ROBERT MARTIN FRIEDLAND

RE: Loan Agreement dated as of October 10, 2014 between Robert Martin Friedland (the "Lender") and Ivanhoe Energy Inc. (the "Borrower"), as amended by amendment dated as of December 29, 2014 and an amendment dated on or about the date hereof (collectively, herein called the "Loan Agreement")

Reference is made to the Loan Agreement and to a Note dated on or about the date hereof in the principal amount of Two Million Three Hundred Seventy Thousand and Sixteen US Dollars (US $2,370,016) issued pursuant to the Loan Agreement. Capitalized terms not defined herein have the meanings given such terms in the Loan Agreement.

The Borrower hereby requests and irrevocably directs the Lender to forthwith, as a second partial disbursement of the Third Advance to or to the order of the Borrower, make the following payment(s) (in such amount(s) and to such person(s)/account(s)) directly to the following person(s)/account(s), by way of wire transfer:

US $276,930 in respect of items 2-8 of the items listed in Schedule A of the Loan Agreement.

Beneficiary Bank: Banco Pichincha
Beneficiary Bank Address: Amazonas No. 4545 y Pereira
Swift Code: PICHECEQ
Financial Institution #: --
Clearing Code: ---

For the account of:
Name: Ivanhoe Energy Ecuador Inc.
Address: Chimborazo 705 y Pampite
City: Cumbaya, Quito, Ecuador
Account#: 3400516404
Transit: ----

Signature page follows

DATED the 12th day of February, 2015.

399445 v 1

IVANHOE ENERGY INC.

By: CACarbona
____

SCHEDULE A

ECUADORIAN WIND-UP AND CLOSURE COSTS AND CATEGORIES

Ecuador Sovereign Obligations	
1. Statutory severance for terminated employees	597,496
1a. Statutory severance for remaining employees	285,574
2. Completed and remaining environmental audit work	126,373
3. Payment to terminate SSC contract	42,000
4. Past due vendors @ 100%	67,312
5. Legal Representative stipend for dormant company	5,000
6. Accountant stipend for dormant company	5,000
7. Environmental specialist for dormant company	5,000
8. Storage of files @ $700/mo. Stat payments to maintain dormant co	26,245
Total	1,160,000

This is Exhibit "K"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

NOTE

US$2,370,016 February 10, 2015

FOR VALUE RECEIVED, IVANHOE ENERGY INC., a company incorporated under the Laws of Yukon (hereinafter called the "Borrower") unconditionally promises to pay to the order of ROBERT MARTIN FRIEDLAND (hereinafter called the "Lender"), on or before the Maturity Date (as defined in the Loan Agreement described below) at the Lender's principal office or such other address as may be designated from time to time by Lender, the lesser of Two Million Three Hundred Seventy Thousand Sixteen US Dollars (US$2,370,016) or the Principal Balance, and to pay interest on such unpaid Principal Balance, the payment of such principal and interest to be in accordance with the Loan Agreement. All such principal and interest shall be payable in immediately available funds in lawful currency of the United States of America.

The term "Principal Balance" shall mean the outstanding principal balance of this Note, as reduced from time to time in accordance herewith and with the Loan Agreement. Interest will accrue on the Principal Balance at the Applicable Rate (as defined in the Loan Agreement).

Unless otherwise required by the Loan Agreement, in the event that any date for payment of interest or principal hereunder is not a Business Day, such payment shall be due on the next succeeding day which is a Business Day and interest shall accrue for such extension of time.

This Note is one of the promissory notes referred to in, and is entitled to the benefits of, the Loan Agreement dated as of October 10, 2014 between the Borrower and the Lender as amended by an amendment dated as of December 29, 2014 and an amendment dated on or about the date hereof (collectively, herein called the "Loan Agreement"), which agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

No course of dealing between the Borrower and the holder hereof or any delay on the part of the holder hereof in exercising any rights hereunder shall operate as a waiver of any rights of any holder hereof. Capitalized terms used and not defined herein shall have the meanings given to them in the Loan Agreement. All the covenants, stipulations, promises and agreements in this Note contained by or on behalf of the Borrower shall bind any successor and assigns, whether permitted or not and whether so expressed or not. This Note shall be construed in accordance with and governed by the Laws of Alberta.

BORROWER:

IVANHOE ENERGY INC.

By: CA Cabrera

Name: CARLOS A. CABRERA

Title: Executive Chairman

This is Exhibit "L"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

IVANHOE ENERGY INC.

as Chargor

and

ROBERT MARTIN FRIEDLAND

as Holder

FIRST SUPPLEMENTAL DEBENTURE

February 10, 2015

regarding

FIXED AND FLOATING CHARGE DEBENTURE

October 10, 2014

FIRST SUPPLEMENTAL DEBENTURE

FIRST SUPPLEMENTAL DEBENTURE dated as of February 10, 2015 made by Ivanhoe Energy Inc., as Chargor, and Robert Martin Friedland, as Holder.

RECITALS:

(a) The Holder has agreed pursuant to the Loan Agreement (as amended from time to time, including by amendments dated as of December 29, 2014 and February 10, 2015 respectively, each of which amendments has increased the principal amount of the loan) to provide a loan (in various advances) to the Chargor on the terms and conditions contained in the Loan Agreement;

(b) The Chargor has granted in favour of the Holder a fixed and floating charge debenture dated as of October 10, 2014 (as supplemented and amended from time to time, the "**Debenture**") as security for the payment and performance of the Obligations;

(c) A Security Notice in respect of the Debenture has been registered under number _________ against the following interests:

Oil Sands Leases - Agreement Numbers 0747401100010 and 0747405110606; and

(d) It is a condition precedent to the continuing availability of such loan pursuant to the Loan Agreement that the Chargor execute and deliver this Supplemental Debenture in favour of the Holder as security for the payment and performance of the Obligations.

In consideration of the foregoing, the sum of $10.00 now paid by the Holder to the Chargor and for other valuable consideration, including the mutual agreements contained herein (the receipt and adequacy of which consideration is hereby acknowledged by the Chargor), the Chargor and the Holder agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 General.

(1) Capitalized terms used in this Supplemental Debenture but not defined have the meanings given to them in the Debenture (as supplemented and amended from time to time, including by this Supplemental Debenture). Capitalized terms used in this Supplemental Debenture but not defined have the meanings given to them in the Loan Agreement (as supplemented and amended from time to time).

(2) The following provisions of the Debenture are hereby incorporated by reference, *mutatis mutandis*:

1.3 (Interpretation),
6.1 (Loan Agreement Governs),
6.7 (Supplemental Security),
6.8 (Successors and Assigns),
6.9 (Amalgamation),
6.10 (Dollars or "$"),
6.11 (Severability),
6.12 (Amendment),
6.13 (Waivers, etc.),
6.15 (Governing Law),
6.16 (Time of the Essence),
6.17 (Charging Clause), 6.18 (Waiver of Financing Statement, etc.), and
6.19 (Costs and Expenses).

(3) This Supplemental Debenture is supplemental to and in implementation of the Debenture and shall be read with and be deemed part of the Debenture, and all provisions of the Debenture, except only so far as the same may be inconsistent with the express provisions hereof, shall apply to and shall have effect with respect to this Supplemental Debenture.

(4) This Supplemental Debenture is a Loan Document (as defined in the Loan Agreement).

ARTICLE 2
INCREASE/AMENDMENT RE PRINCIPAL SUM

Section 2.1 Promise to Pay.

The principal sum set out in section 2.1 of the Debenture is hereby increased and amended from "U.S. FIVE MILLION DOLLARS (U.S. $5,000,000.00)" to "U.S. TEN MILLION DOLLARS (U.S. $10,000,000.00)".

Accordingly, the Chargor, for value received, hereby acknowledges itself indebted to the Holder and promises to pay ON DEMAND to or to the order of the Holder the principal sum of U.S. TEN MILLION DOLLARS (U.S. $10,000,000.00) on presentation and surrender of the Debenture as provided in the Debenture, and to pay interest thereon from the date of the Debenture at the rate per annum of thirty percent (30%) in like money at the same place, monthly, on the last day of each month; and, if the Chargor should at any time make default in the payment of any principal or interest, to pay interest on the amount in default both before and after demand, default and judgment, with interest on overdue interest at the same rate in lawful money of the United States of America at the same place on the same dates.

ARTICLE 3
SECURITY

Section 3.1 Confirmation and Grant of Charges.

The Charges constituted by section 3.1 of the Debenture (as supplemented and amended hereby) are hereby confirmed and shall continue in full force and effect. Without limiting the generality of the foregoing, as continuing collateral security for the due payment and performance of all Obligations, and subject to the provisions of section 3.5 of the Debenture, the Chargor hereby (on and subject to the terms and conditions set out in the Debenture (as supplemented and amended hereby):

(a) grants, assigns as security, conveys, mortgages, pledges and charges, as and by way of a first fixed and specific mortgage, charge and pledge, to and in favour of the Holder, and grants to the Holder a continuing security interest in, all of the Chargor's right, title, interest and estate in and to the Specifically Mortgaged Lands, the Oil Sands Leases, and all Oil Sands and other hydrocarbons within, upon or under the Specifically Mortgaged Lands, together with any and all rights, leases, licenses, easements, rights-of-way, profits a-prendre, interests in real property, structures, underground facilities, Wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures now or hereafter constructed or placed on the Specifically Mortgaged Lands and all accretions, additions and accessions to any of the foregoing, any substitution of any of the foregoing and any and all proceeds of any of the foregoing and including all of the Chargor's present and after-acquired right, title, estate and interest in and to all proceeds derived from any of the foregoing;

(b) grants, assigns as security, conveys, mortgages and charges, as and by way of a first floating charge, to and in favour of the Holder, all of the Chargor's right, title, interest and estate in and to all real property (including without limitation all Oil Sands and other hydrocarbons) not subject to the fixed charge in Section 3.1(a), both present and future, of every nature and kind and wherever situate, together with any and all rights, leases, licenses, easements, rights-of-way, profits a-prendre, interests in real property, structures, underground facilities, Wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures now or hereafter constructed or placed on such real property or used in connection with such real property and all accretions, additions and accessions to any of the foregoing, which the Chargor has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter, and any and all proceeds of any of the foregoing; and

(c) grants, assigns as security, conveys, transfers, mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of the Holder, and grants to the Holder a continuing security interest in, all of the Chargor's present and after-acquired personal property, including without limitation all present and after-acquired goods (including without limitation all Oil Sands and other hydrocarbons extracted from time to time and all Products), chattel paper, documents of title, instruments, intangibles, investment property and money (as such terms are defined in the PPSA), wherever located.

ARTICLE 4
GENERAL

Section 4.1 Confirmation of Debenture.

The Debenture, except as expressly supplemented and amended by this Supplemental Debenture, shall continue in full force and effect, and the Debenture, as supplemented and amended hereby, together with all documents supplemental or ancillary to the Debenture, are hereby confirmed. The Debenture shall henceforth be read in conjunction with this Supplemental Debenture and this Supplemental Debenture shall henceforth have effect so far as practicable as if all the provisions of the Debenture and of this Supplemental Debenture were contained in a single instrument.

Section 4.2 Counterparts.

This Supplemental Debenture may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same instrument.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF each of the Chargor and the Holder has executed and delivered this Supplemental Debenture as of the date first above written.

IVANHOE ENERGY INC.

By: CA Coppola
Authorized Signing Officer

By: ______________________
Authorized Signing Officer

____
ROBERT MARTIN FRIEDLAND

IN WITNESS WHEREOF each of the Chargor and the Holder has executed and delivered this Supplemental Debenture as of the date first above written.

IVANHOE ENERGY INC.

By: ______________________________
Authorized Signing Officer

By: ______________________________
Authorized Signing Officer

____
ROBERT MARTIN FRIEDLAND

This is Exhibit "M"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

Industry Canada — Industrie Canada

Office of the Superintendent of Bankruptcy Canada — Bureau du surintendant des faillites Canada

District of: ALBERTA
Division No.: 02 - Calgary
Court No.: 25-1963517
Estate No.:25-1963517

In the Matter of the Bankruptcy of:
Ivanhoe Energy Inc.
Debtor

ERNST & YOUNG INC.
Trustee

ORDINARY ADMINISTRATION

Security: $*,***

Date of bankruptcy: June 2, 2015

Meeting of Creditors: June 23, 2015, 13:30
ERNST & YOUNG TOWER
1000, 440-2 AVENUE S.W.,
CALGARY, ALBERTA

Chair: Official Receiver   Designated person: Carlos Cabrera

CERTIFICATE OF ASSIGNMENT - Paragraph 50.4(8)(b.1) of the Act

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify, that:

- a notice of intention in respect of the aforenamed debtor was filed under section 50.4 of the Bankruptcy and Insolvency Act;
- the debtor has failed to file a cash-flow statement or a proposal within the provided period following the filing of the notice of intention or within any Court-granted extension and is thereupon deemed to have made an assignment.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: June 2, 2015

E-File / Dépôt électronique   Official Receiver

Standard Life Tower, 639 5 Avenue SW, Suite 400, Calgary, ALBERTA, T2P 0M9, 877/376-9902

Canada

This is Exhibit "N"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2014
Commission file number: 000-30586

Ivanhoe Energy Inc.

(Exact name of registrant as specified in its charter)

Yukon, Canada	**98-0372413**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

654-999 Canada Place
Vancouver, BC, Canada V6C 3E1
(604) 688-8323
(Address and telephone number of the registrant's principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☐ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☑
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
☐ Yes ☑ No

As at September 30, 2014, Ivanhoe Energy Inc. had 16,403,465 common shares outstanding with no par value.

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

IVANHOE ENERGY INC.
Condensed Consolidated Statements of Financial Position
(Unaudited)

(US$000s)	Note	September 30, 2014	December 31, 2013
Assets			
Current Assets			
Cash and cash equivalents		357	23,556
Restricted cash		500	500
Accounts receivable		118	534
Prepaid and other		452	942
Assets held for sale		52,773	51,929
		54,200	77,461
Intangible assets	4	64,989	152,823
Property, plant and equipment		347	1,066
Long term receivables		807	603
Notes receivable		-	220
		120,343	232,173
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities		5,377	6,295
		5,377	6,295
Long term debt		61,319	63,012
Long term provisions		3,414	2,589
		70,110	71,896
Shareholders' Equity			
Share capital		586,358	586,358
Contributed surplus		34,059	32,614
Accumulated deficit		(570,184)	(458,695)
		50,233	160,277
		120,343	232,173
Nature of operations and going concern	1		

(See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements)

IVANHOE ENERGY INC.
Condensed Consolidated Statements of Loss and Comprehensive Loss
(Unaudited)

(US$000s, except share and per share amounts)	Note	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Interest and other income		8	292	58	382
Expenses and other					
Operating		32	905	1,491	3,119
Exploration and evaluation		-	4,699	-	4,699
General and administrative		5,282	9,069	18,576	30,187
Impairment of intangible assets	4	89,156	-	89,156	-
Depreciation		130	255	255	739
Foreign currency exchange (gain) loss		(2,917)	978	(2,958)	(1,949)
Derivative instruments gain		-	(1)	-	(177)
Finance		1,874	525	4,723	1,958
Other (income) expenses		(106)	-	304	-
		93,451	16,430	115,547	38,576
Loss before income taxes		(93,443)	(16,138)	(111,489)	(38,194)
Recovery of (provision for) income taxes					
Current		-	-	-	(41)
Deferred		-	928	-	2,665
		-	928	-	2,624
Net loss and total comprehensive loss from continuing operations		(93,443)	(15,210)	(111,489)	(35,570)
Net loss and total comprehensive loss from discontinued operations	3	-	-	-	(2,072)
Net loss and comprehensive loss		(93,443)	(15,210)	(111,489)	(37,642)
Net loss per common share, basic and diluted					
From continuing operations		(5.70)	(0.93)	(6.80)	(2.17)
From discontinued operations		-	-	-	(0.13)
		(5.70)	(0.93)	(6.80)	(2.30)
Weighted average number of common shares					
Basic and diluted (000s)	5	16,403	16,403	16,403	16,390

(See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements)

IVANHOE ENERGY INC.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

(US$000s, except share amounts)	Note	Share Capital Shares (000s)	Share Capital Amount	Contributed Surplus	Accumulated Deficit	Total
Balance January 1, 2013		16,387	586,108	29,759	(312,869)	302,998
Net loss and comprehensive loss		–	–	–	(37,642)	(37,642)
Funding of equity-settled share-based awards		–	–	(132)	–	(132)
Share-based compensation expense	6	16	250	2,224	–	2,474
Balance September 30, 2013	5	16,403	586,358	31,851	(350,511)	267,698

(US$000s, except share amounts)	Note	Share Capital Shares (000s)	Share Capital Amount	Contributed Surplus	Accumulated Deficit	Total
Balance January 1, 2014		16,403	586,358	32,614	(458,695)	160,277
Net loss and comprehensive loss		–	–	–	(111,489)	(111,489)
Funding of equity-settled share-based awards		–	–	(93)	–	(93)
Share-based compensation expense	6	–	–	1,538	–	1,538
Balance September 30, 2014	5	16,403	586,358	34,059	(570,184)	50,233

(See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements)

IVANHOE ENERGY INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(US$000s)	Note	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Operating Activities					
Net loss		(93,443)	(15,210)	(111,489)	(37,642)
Adjustments to reconcile net loss to cash used in operating activities					
Depreciation		130	255	255	739
Exploration and evaluation expense		-	4,699	-	4,699
Impairment of intangible assets		89,156	-	89,156	-
Share-based compensation expense		408	1,231	1,726	3,335
Unrealized foreign currency exchange (gain) loss		(2,813)	972	(3,128)	(1,789)
Unrealized derivative instruments gain		-	(1)	-	(177)
Current income tax expense		-	-	-	41
Deferred income tax expense (recovery)		-	(928)	-	(2,665)
Finance expense		1,874	525	4,723	1,958
Loss on debt repayment and other		31	371	602	-
Current income tax paid		-	-	-	(1,761)
Interest paid		-	(11)	-	(531)
Share-based payments		-	-	(438)	(188)
Changes in non-cash working capital items	9	867	(2,326)	(646)	2,932
Net cash used in operating activities		(3,790)	(10,423)	(19,239)	(31,049)
Investing Activities					
Intangible assets and assets held for sale expenditures		(447)	(3,587)	(1,559)	(15,275)
Property, plant and equipment expenditures		-	(346)	-	(795)
Restricted cash		-	-	-	20,000
Long term receivables		(61)	(431)	(202)	(859)
Interest paid		-	(33)	(1,974)	(1,518)
Changes in non-cash working capital items	9	63	337	23	2,193
Net cash (used in) provided by investing activities		(445)	(4,060)	(3,712)	3,746
Financing Activities					
Changes in non-cash working capital items	9	15	4	12	19
Net cash provided by financing activities		15	4	12	19
Foreign exchange (gain) loss on cash and cash equivalents held in a foreign currency		(57)	395	(260)	(326)
Decrease in cash and cash equivalents, for the period		(4,277)	(14,084)	(23,199)	(27,610)
Cash and cash equivalents, beginning of period		4,634	49,293	23,556	62,819
Cash and cash equivalents, end of period		357	35,209	357	35,209

(See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements)

IVANHOE ENERGY INC.
Notes to the Unaudited Condensed Consolidated Financial Statements
(tabular amounts in US$000s, except share and per share amounts)

1. NATURE OF OPERATIONS AND GOING CONCERN

Ivanhoe Energy Inc. (the "Company" or "Ivanhoe") is a publicly listed limited liability company incorporated under the laws of Yukon, Canada. Ivanhoe's common shares are listed on the Toronto Stock Exchange ("TSX") and the NASDAQ Stock Market ("NASDAQ"). The principal corporate office of Ivanhoe is located at 999 Canada Place, Suite 654, Vancouver, British Columbia, V6C 3E1. The Company's registered and records office is located at 300-204 Black Street, Whitehorse, Yukon, Y1A 2M9.

Ivanhoe is an independent international heavy oil exploration and development company with a proprietary heavy oil upgrading process ("HTL™"). The Company has two significant heavy oil development projects – Tamarack in Canada and Block 20 in Ecuador, HTL facilities in the United States and business development opportunities worldwide.

The September 30, 2014 unaudited interim condensed consolidated financial statements ("Financial Statements") have been prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due and assumes that Ivanhoe will be able to meet its obligations and continue operations for at least its next fiscal year. Recoverable values may be substantially different from carrying values as shown and these Financial Statements do not give effect to adjustments that may be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

At September 30, 2014, Ivanhoe had an accumulated deficit of $570.2 million and working capital deficiency of $4.0 million, excluding assets held for sale. For the nine months ended September 30, 2014, cash used in operating activities was $19.2 million and the Company expects to incur further losses in the development of its business. Continuing as a going concern is dependent upon attaining future profitable operations to repay liabilities arising in the normal course of operations and accessing additional capital to develop the Company's properties. Ivanhoe intends to finance its future funding requirements through a combination of strategic investors and/or public and private debt and equity markets, either at the parent company level or at the project level, and through the sale of interests in existing oil and gas properties. There is no assurance that the Company will be able to obtain such financing, or obtain it on favorable terms, or realize proceeds on its assets held for sale. Without access to additional financing or other cash generating activities in 2014, there is material uncertainty that casts substantial doubt that the Company will be able to continue as a going concern.

The September 30, 2014 Financial Statements were approved by the Board of Directors and authorized for issue on October 28, 2014.

The Financial Statements are presented in US dollars ("$") and all values are rounded to the nearest thousand dollars except where otherwise indicated. References to "Cdn$" are to Canadian dollars.

2. BASIS OF PRESENTATION

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" ("IAS 34"), using accounting policies consistent with IFRS as issued by the IASB. The Financial Statements are not subject to qualification relating to the application of IFRS as issued by the IASB.

The Financial Statements are condensed as they do not include all of the information required for full annual financial statements, and they should be read in conjunction with the Company's annual audited consolidated financial statements and related notes thereto for the year ended December 31, 2013 prepared in accordance with IFRS as issued by the IASB. The same accounting policies, presentation and methods of computation have been followed in these Financial Statements as were applied in the Company's annual IFRS consolidated financial statements for the year ended December 31, 2013 except as discussed below.

2.2 Basis of Presentation

The Financial Statements have been prepared on an historical cost basis, except derivative instruments, which are measured at fair value.

2.3 Standards and Interpretations Issued But Not Yet Adopted
The Company has reviewed new and revised accounting pronouncements listed below that have been issued, but are not yet effective. There are no other standards or interpretations currently issued, but not yet adopted, that are anticipated to have a material effect on the reported loss or net assets of the Company.

i. IFRS 9 Financial Instruments ("IFRS 9")

On July 24, 2014, the IASB issued IFRS 9, "Financial Instruments" ("IFRS 9") to replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, as opposed to the multiple rules in IAS 39. The approach is based on how an entity manages its financial instruments given its business model and the contractual cash flow characteristics of the financial assets. The standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for years beginning on or after January 1, 2018. Early adoption is permitted if IFRS 9 is adopted in its entirety at the beginning of a fiscal period. The Company is currently evaluating the impact of adopting IFRS 9 on its consolidated financial statements.

2.4 Changes in Accounting Policy and Disclosure

IFRIC 21 "Levies" was developed by the IFRS Interpretations Committee ("IFRIC") and is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., IAS 12 "Income Taxes") and fines or other penalties for breaches of legislation. The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. Lastly, the interpretation clarifies that a liability should not be recognized before the specified minimum threshold to trigger that levy is reached. The retrospective adoption of this interpretation does not have any impact on the Company's financial statements.

3. RESULTS OF DISCONTINUED OPERATIONS

Analysis of the results of discontinued operations and on the disposal of the assets of the Zitong Block and Pan-China Resources Ltd., constituting the discontinued operations, is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenue	-	-	-	-
Expenses and other	-	-	-	-
Net income before tax and before disposal	-	-	-	-
Income taxes	-	-	-	-
Net income after tax and before disposal	-	-	-	-
Pre-tax loss on disposal	-	-	-	(2,072)
Tax on disposal	-	-	-	-
After-tax loss on disposal	-	-	-	(2,072)
Net income from discontinued operations	-	-	-	(2,072)

The loss on disposal for the nine months ended September 30, 2013 consisted of professional services rendered in connection with the disposal of the assets constituting the discontinued operations.

The net cash flows attributable to the operating, investing and financing activities of the discontinued operations are as follows:

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Operating activities	-	-	-	(2,072)
Investing activities	-	-	-	-
Financing activities	-	-	-	-
Total cash flows	-	-	-	(2,072)

4. INTANGIBLE ASSETS

	Exploration and Evaluation Assets					
	Asia	Canada	Latin America	Total	HTL™ Technology	Total Intangible Assets
Cost						
Balance December 31, 2012	14,659	141,627	36,872	193,158	92,153	285,311
Additions	722	11,196	7,982	19,900	-	19,900
Exploration and evaluation expense	(15,381)	-	-	(15,381)	-	(15,381)
Impairment charge	-	-	-	-	(92,153)	(92,153)
Assets reclassified as held for sale	-	-	(44,854)	(44,854)	-	(44,854)
Balance December 31, 2013	-	152,823	-	152,823	-	152,823
Additions	-	1,322	-	1,322	-	1,322
Impairment charge	-	(89,156)	-	(89,156)	-	(89,156)
Balance September 30, 2014	-	64,989	-	64,989	-	64,989

The Tamarack Project is a cash-generating unit under IFRS and is reported in the Canadian segment.

In the third quarter of 2014, the Company reviewed the carrying values of its intangible assets as a result of the decline in the Company's market capitalization which can be viewed as an indicator of impairment. As a result of this review, the Company determined that the recoverable amount of the Tamarack Project was less than its carrying amount. This decline in value is in part a result of the decision by the Alberta Energy Regulator ("AER") to delay the Tamarack application approval process and a delay by the Company in advancing the Tamarack Project or securing a strategic joint investor. The Company assessed the recoverable amount of the Tamarack Project based on a fair value less costs of disposal methodology with consideration to the enterprise values of other companies with similar assets that bear some geological resemblance to the Tamarack Project. This analysis provided the Company with an estimated reserve value per barrel of contingent and probable reserves which it used to estimate that the recoverable value of the Tamarack Project at September 30, 2014 was $65.0 million. The Company has recorded a non-cash impairment charge of $89.2 million in relation to the Tamarack Project for the three and nine months ended September 30, 2014.

5. SHAREHOLDERS' EQUITY

On August 14, 2014, the Company, following authorization by its shareholders, proceeded with a share consolidation or reverse stock split at a ratio of seven "old" common shares-for-one "new" common share (the "Consolidation Ratio") which reduced the number of outstanding common shares from approximately 114.8 million to approximately 16.4 million. The share consolidation also resulted in proportionate adjustments to outstanding stock options and RSUs as well as an adjustment to the conversion price of the Company's 5.75% Convertible Unsecured Subordinated Debentures ("Convertible Debentures"). The share consolidation also increased the loss per share amount by the Consolidation Ratio.

6. SHARE-BASED PAYMENTS

Share-based transactions were charged to earnings, as general and administrative or operating expenses, as follows:

	Three months ended September 30,		Nine Months ended September 30,	
	2014	2013	2014	2013
Share-based expense related to				
Equity settled transactions	388	674	1,538	2,474
Cash settled transactions	20	557	188	861
Total share-based expense	408	1,231	1,726	3,335

6.1 Stock Option Plan

Details of transactions under the Company's stock option plan are as follows:

	Number of Stock Options (000s)	Weighted Average Exercise Price (Cdn$)
Outstanding, December 31, 2012	708	39.76
Granted	370	15.12
Exercised	–	–
Expired	(160)	35.98
Forfeited	(76)	46.06
Outstanding, December 31, 2013	842	29.11
Granted	245	3.67
Exercised	-	-
Expired	(58)	46.62
Forfeited	(205)	23.26
Outstanding, September 30, 2014	824	21.77
Exercisable, December 31, 2013	340	44.17
Exercisable, September 30, 2014	342	34.30

Shares authorized for issuance under the option plan at September 30, 2014 were 1.6 million (December 31, 2013 – 1.6 million).

No stock options were exercised in the nine months ending September 30, 2014 (2013 – nil).

The weighted average fair value of stock options granted from the stock option plan during the nine months ended September 30, 2014 was Cdn$2.63 (2013 – Cdn$10.15) per option at the grant date using the Black-Scholes option pricing model. The weighted average assumptions used for the calculation were:

Nine months ended September 30,	2014	2013
Expected life (in years)	6.0	6.2
Volatility [1]	87.5%	76.9%
Dividend yield	–	–
Risk-free rate	1.7%	1.6%
Estimated forfeiture rate	9.6%	10.0%

(1) Expected volatility factor based on historical volatility of the Company's publicly traded common shares.

The following table summarizes information in respect of stock options outstanding and exercisable at September 30, 2014:

Range of Exercise Prices (Cdn$)	Outstanding (000s)	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price (Cdn$)
3.08 to 6.30	195	5.8	3.65
6.31 to 13.65	29	5.4	9.80
13.66 to 16.80	285	5.4	15.54
16.81 to 44.94	153	3.7	24.96
44.95 to 68.88	162	3.0	53.64
	824	4.7	21.77

6.2 Restricted Share Unit Plan ("RSU")

Details of transactions under the Company's RSU plan are as follows:

	Number of RSUs (000s) (1)	Weighted Average Fair Value (Cdn$)
Outstanding, December 31, 2012	125	15.12
Granted	242	5.04
Vested	(45)	14.49
Forfeited	(7)	13.58
Outstanding December 31, 2013	315	7.07
Granted	340	2.79
Vested	(118)	6.11
Forfeited	(187)	4.03
Outstanding, September 30, 2014	350	3.23

(1) Includes RSUs that will be withheld on behalf of employees to satisfy statutory tax withholding requirements.

The weighted average assumptions used for the calculation were:

Nine Months ended September 30,	2014	2013
Expected life (in years)	2.0	2.0
Volatility (1)	140.3%	76.4%
Dividend yield	-	-
Risk-free rate	1.1%	1.1%
Estimated forfeiture rate	9.6%	18.8%

(1) Expected volatility factor based on historical volatility of the Company's publicly traded common shares

The liabilities arising from the RSUs to be settled by way of cash payments and the intrinsic value of those liabilities are:

	September 30, 2014
Current liabilities related to RSUs	227
Long term liabilities related to RSUs	128
Intrinsic value of vested and unreleased RSUs	-

7. FINANCIAL INSTRUMENTS

7.1 Fair Value of Financial Instruments Measured at Amortized Cost

Except as detailed below, the fair value of the Company's financial instruments recognized at amortized cost approximates their carrying value due to the short term maturity of these instruments.

	September 30, 2014	December 31, 2013
Convertible Debentures		
Carrying amount	61,319	63,012
Fair value	16,895	31,017

The fair value of the liability component of the Convertible Debentures was estimated using the closing price of the publicly traded debentures at period end.

7.2 Risks Arising from Financial Instruments

Ivanhoe is exposed in varying degrees to normal market risks resulting from foreign currency exchange rate risk, credit risk, interest rate risk and liquidity risk. The Company recognizes these risks and manages its operations to minimize the exposure to the extent practicable. There have not been any significant changes to the Company's exposure to risks, or processes to manage these risks as described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 ("2013 Form 10-K").

8. SEGMENT INFORMATION

The following table presents the Company's segment loss, capital investments and identifiable assets and liabilities:

	Asia	Canada	Latin America	Technology Development	Corporate [3]	Total
Segment income from continuing operations						
For the three months ended September 30, 2014	-	2	-	-	6	8
For the three months ended September 30, 2013	-	1	-	239	52	292
For the nine months ended September 30, 2014	-	2	-	-	56	58
For the nine months ended September 30, 2013	-	2	-	299	81	382
Segment loss from continuing operations						
For the three months ended September 30, 2014	(18)	(89,445)	(1,448)	(669)	(1,863)	(93,443)
For the three months ended September 30, 2013	(4,829)	(729)	(1,709)	(2,719)	(5,224)	(15,210)
For the nine months ended September 30, 2014	(235)	(91,516)	(4,358)	(3,922)	(11,458)	(111,489)
For the nine months ended September 30, 2013	(5,319)	(1,856)	(5,349)	(6,920)	(16,126)	(35,570)
Segment assets [1]						
As at September 30, 2014	34	65,549	92,796	18	(38,054)	120,343
As at December 31, 2013	125	153,682	92,342	87	(14,063)	232,173
Segment liabilities [2]						
As at September 30, 2014	16,696	174,279	118,023	74,551	(313,439)	70,110
As at December 31, 2013	16,552	170,897	113,140	70,698	(299,391)	71,896
Capital investments – Intangible						
For the three months ended September 30, 2014	-	68	379	-	-	447
For the three months ended September 30, 2013	31	598	2,958	-	-	3,587
For the nine months ended September 30, 2014	-	726	833	-	-	1,559
For the nine months ended September 30, 2013	693	7,230	7,352	-	-	15,275
Capital investments – Property, plant and equipment						
For the three months ended September 30, 2014	-	-	-	-	-	-
For the three months ended September 30, 2013	(2)	-	-	-	348	346
For the nine months ended September 30, 2014	-	-	-	-	-	-
For the nine months ended September 30, 2013	(50)	-	(80)	-	925	795

(1) Segment assets include investments in subsidiaries that are eliminated for consolidation under Corporate and assets classified as held for sale in the Latin America segment

(2) Liabilities for Corporate include intercompany receivables of $421.7 million as at September 30, 2014 (December 31, 2013 - $408.3 million) required to eliminate intercompany payables upon consolidation.

(3) As at, and for the three and nine months ended September 30, 2014 the Corporate segment includes the results of, and any remaining assets and liabilities not related to the transfer of the participating interest in the Zitong Petroleum Contract to Shell China Exploration and Production Co from Sunwing Zitong Energy, a wholly owned subsidiary of the Company.

9. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash activities for the Company are comprised of the following:

	Three months ended September 30,		Nine Months ended September 30,	
	2014	2013	2014	2013
Operating activities				
Accounts receivable	102	3,062	402	9,877
Note receivable	4	(3)	219	5
Prepaid and other current assets	69	163	491	1,187
Accounts payable and accrued liabilities	692	(5,548)	(1,758)	(8,137)
	867	(2,326)	(646)	2,932
Investing activities				
Accounts payable and accrued liabilities	63	337	23	2,193
	63	337	23	2,193
Financing activities				
Accounts payable and accrued liabilities	15	4	12	19
	945	(1,985)	(611)	5,144

10. RELATED PARTY TRANSACTIONS

Ivanhoe is party to cost sharing agreements with other companies which are related or controlled through common directors or shareholders. Through these agreements, the Company shares office space, furnishings, equipment, air travel and communications facilities in various international locations. Ivanhoe also shares the costs of employing administrative and non-executive management personnel at these offices.

The attribution of the related party expenses is as follows:

Related Party	Nature of Transaction	Three months ended September 30, 2014	2013	Nine Months ended September 30, 2014	2013
Global Mining Management Corp.	Administration	183	125	335	409
Ivanhoe Capital Aviation Ltd.	Aircraft	300	300	900	900
Ivanhoe Capital Services Ltd.	Administration	95	82	300	363
1092155 Ontario Inc.	HTL® technology	12	16	39	40
Ivanhoe Systems PTE Ltd	Information Technology	-	-	-	50
		590	523	1,574	1,762

The liabilities of the Company include the following amounts due to related parties:

Related Party	Nature of Transaction	September 30, 2014	December 31, 2013
Global Mining Management Corp.	Administration	46	38
Ivanhoe Capital Aviation Ltd.	Aircraft	500	-
Ivanhoe Capital Services Ltd.	Administration	202	20
1092155 Ontario Inc.	HTL® technology	16	-
		765	58

The Company has incurred $1.6 million in related party expenditures for the nine months ended September 30, 2014 ($1.8 million for the nine months ended September 30, 2013) of which $0.7 million remains unpaid and outstanding as of September 30, 2014 (September 30, 2013 - $0.1 million).

The consulting agreement with 1092155 Ontario Inc. expired September 30, 2014 and is not being renewed.

On October 10, 2014, the Company's founder and Executive Co-Chairman, Robert Friedland provided a $2.2 million secured bridge loan to the Company to augment its working capital. Concurrent with the advancing of the bridge loan, Mr. Friedland resigned as the Executive Co-Chairman and as a director of the Company. Mr. Friedland's bridge loan bears interest at the rate of 10% per annum, with a maturity of six months from the date of advance. The loan is secured by a first charge against the assets of the Company, with the exception of all assets and subsidiaries of Ivanhoe Energy Latin America.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

With the exception of historical information, certain matters discussed in this Quarterly Report on Form 10-Q ("Form 10-Q"), including those within this Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), are forward-looking statements that involve risks and uncertainties.

Statements that contain words such as "could", "should", "can", "anticipate", "estimate", "propose", "plan", "expect", "seek", "believe", "will", "may" and similar expressions and statements relating to matters that are not historical facts constitute "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. In particular, forward-looking statements contained in this Form 10-Q include, but are not limited to, statements relating to or associated with individual wells, regions or projects and future crude oil prices. Any statements as to possible future production levels; future royalty and tax levels; future capital expenditures, their timing and their allocation to exploration and development activities; future asset acquisitions or dispositions; future sources of funding for the Company's capital programs and plans related to enhancing the Company's liquidity; future debt levels; availability of future credit facilities; possible commerciality of the Company's projects; development plans, including the Company's Tamarack Project, or capacity expansions; future ability to execute dispositions of assets or businesses; future formation of joint ventures and other business relationships with third parties; future sources of liquidity, cash flows and their uses; future drilling of new wells; ultimate recoverability of current and long term assets; ultimate recoverability of reserves or resources; expected operating costs; estimates on a per share basis; future foreign currency exchange rates, future expenditures and future allowances relating to environmental matters and the Company's ability to comply therewith; dates by which certain areas will be developed, come on-stream or reach expected operating capacity; and changes in any of the foregoing may be forward-looking statements.

Statements relating to "reserves" are forward-looking statements, as they involve the implied assessment, based on estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future.

The forward-looking statements contained in this Form 10-Q are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. By their nature, forward-looking statements involve inherent risks and uncertainties, including the risk that the outcome that they predict will not be achieved. Undue reliance should not be placed on forward-looking statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward-looking statements, including those set out below and those detailed in Item 1A, "Risk Factors" and Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in the 2013 Form 10-K. Such factors include, but are not limited to: the Company's short history of limited revenue, losses and negative cash flow from its current exploration and development activities in Canada, Ecuador, Mongolia and the United States; the Company's limited cash resources and consequent need for additional financing; the ability to raise capital as and when required, or to raise capital on acceptable terms; the timing and extent of changes in prices for oil and gas; competition for oil and gas exploration properties from larger, better financed oil companies; environmental risks; title matters; drilling and operating risks; uncertainties about the estimates of reserves and the potential success of the Company's Heavy-to-light ("HTL®") technology; the potential success of the Company's oil and gas properties in Canada, Ecuador and Mongolia; the prices of goods and services; the availability of drilling rigs and other support services; legislative and government regulations; political and economic factors in countries in which the Company operates; and implementation of the Company's capital investment program.

The forward-looking statements contained in this Form 10-Q are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement.

Special Note to Canadian Investors

The Company is a registrant under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and voluntarily files reports with the United States Securities and Exchange Commission ("SEC") on Form 10-K, Form 10-Q and other forms used by registrants that are US domestic issuers. Therefore, the Company's reserves estimates and securities regulatory disclosures generally follow SEC requirements of US domestic issuers. National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), adopted by the Canadian Securities Administrators ("CSA"), prescribes certain standards for the preparation, and disclosure of reserves and related information by Canadian issuers. The Company has been granted certain exemptions from NI 51-101. Please refer to the Special Note to Canadian Investors in the 2013 Form 10-K.

Advisories

This Form 10-Q should be read in conjunction with the Company's September 30, 2014 unaudited condensed consolidated financial statements (the "Financial Statements") contained herein, and the audited annual consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the 2013 Form 10-K. The Financial Statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

As a foreign private issuer in the United States, Ivanhoe is permitted to file with the SEC financial statements prepared under IFRS as issued by the IASB, without a reconciliation to US GAAP. It is possible that some of the Company's accounting policies under IFRS could be different from US GAAP.

ALL TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE DATA.

Electronic copies of the Company's filings with the SEC and the CSA are available, free of charge, through the Company's website (www.ivanhoeenergy.com) or, upon request, by contacting its investor relations department at (604) 688-6630. Alternatively, the SEC and the CSA each maintains a website (www.sec.gov and www.sedar.com) from which the Company's periodic reports and other public filings with the SEC and the CSA can be obtained. Copies of the charters for each of the committees of the Company's board of directors are available through the Company's website at www.ivanhoeenergy.com. The information contained on or accessible through the Company's website is not incorporated by reference.

HIGHLIGHTS

($000, except as stated)	Three months ended September 30, 2014	2013	Nine months ended September 30, 2014	2013
Capital expenditures	447	3,933	1,559	16,070
Net cash used in operating activities	(3,790)	(10,423)	(19,239)	(31,049)
Net loss from continuing operations	(93,443)	(15,210)	(111,489)	(35,570)
Net loss per share from continuing operations – basic and diluted	(5.70)	(0.93)	(6.80)	(2.17)

Net loss from continuing operations for the three months ended September 30, 2014 was $93.4 million, which was $78.2 million higher compared to a net loss from continuing operations of $15.2 million incurred during the same period in 2013. The increase is primarily due to an $89.2 million impairment charge recorded on the Tamarack Project. Also included in the net loss for the three months ended September 30, 2014 was $5.3 million in general and administrative ("G&A") expenses, a $2.9 million foreign exchange gain and $1.9 million in finance expenses. These items are explained in detail below.

Net loss from continuing operations for the nine months ended September 30, 2014 was $111.5 million, which was $75.9 million higher compared to a net loss from continuing operations of $35.6 million incurred during the same period in 2013. The increase is primarily due to an $89.2 million impairment charge recorded on the Tamarack Project. Also included in the net loss for the nine months ended September 30, 2014 was $18.6 million in general and administrative ("G&A") expenses, a $3.0 million foreign exchange gain and $4.7 million in finance expenses. These items are explained in detail below.

RESULTS OF OPERATIONS

Impairment Charges

The Company's net loss from continuing operations for the three months ended September 30, 2014 of $93.4 million was largely due to a $89.2 million non-cash impairment charge related to the Tamarack Project.

In the third quarter of 2014, the Company reviewed the carrying values of its intangibles assets as a result of the decline in the Company's market capitalization, which can be viewed as an indicator of impairment. As a result of this review, the Company determined that the recoverable amount of the Tamarack Project was less than its carrying amount. This decline in value is in part a result of the decision by the Alberta Energy Regulator ("AER") to delay the Tamarack application approval process and a delay by the Company in advancing the Tamarack Project or securing a strategic joint investor.

In December 2013, the Company learned that the AER intends to conduct a thorough technical review of the factors that affect reservoir containment of shallow steam-assisted gravity drainage ("SAGD") projects and will be consulting with stakeholders to develop formal regulatory requirements. Following discussions with each affected industry applicant, the AER issued a bulletin with interim guidelines. The AER now indicates that they will develop the new requirements following extensive industry and stakeholder engagement. This decision and process affects all shallow SAGD projects, including Ivanhoe's Tamarack Project.

Ivanhoe met with the AER in December 2013 and was advised that, per the interim guidelines, the Tamarack application would not continue to be processed until (a) 3D seismic has been collected and interpreted over the entire initial development area and (b) the maximum operating pressure meets the interim guidelines. The Company then prepared to launch a seismic program over the remaining portion of the initial development area for which seismic had not been shot, and continued to discuss with the AER the validity of the Company's methodology for its proposed maximum operating pressure. The Company was given an indication that the AER might consider assessing and ruling on the validity of its methodology, but in a letter dated February 6, 2014 and received by the Company on February 24, 2014 the AER said that it would not do so. At that point the Company cancelled the seismic program for the winter.

The Company is continuing its discussions with the AER and is exploring its alternatives for moving the Tamarack Project forward. In addition, the Company continues its discussions with local stakeholders to address any statements of concern as part of the regulatory process. Ivanhoe continues to believe that its proposed development plan for the Tamarack Project is safe and economically viable and expects that the project will be approved. However, until the new formal regulatory requirements are known, Ivanhoe cannot determine whether the Tamarack Project, as currently proposed, will ultimately fit within those requirements.

The Company assessed the recoverable amount of the Tamarack Project based on a fair value less costs of disposal methodology with consideration to the enterprise values of other companies with similar assets that bear some geological resemblance to the Tamarack Project. This analysis provided the Company with an estimated reserve value per barrel of contingent and probable reserves which it used to estimate that the recoverable value of the Tamarack Project at September 30, 2014 was $65.0 million. The Company has recorded a non-cash impairment charge of $89.2 million in relation to the Tamarack Project for the three and nine months ended September 30, 2014.

General and Administrative

G&A expenses mainly consist of staff, office and legal and other contract services costs.

G&A expenses for the three months ended September 30, 2014 were $5.3 million, which was $3.8 million lower compared to G&A expenses of $9.1 million incurred during the same period in 2013. The decrease is primarily due to a $1.9 million decrease in staff costs as a result of reduced staffing levels in 2014, a $1.0 million decrease in legal costs related to the proceedings discussed in Part II, Item 1 "Legal Proceedings" disclosed within this Form 10-Q, and a $1.0 million net decrease related to other miscellaneous G&A items as a result of decreased business activities.

G&A expenses for the nine months ended September 30, 2014 were $18.6 million, which was $11.6 million lower compared to G&A expenses of $30.2 million incurred during the same period in 2013. The decrease is primarily due to a $6.6 million decrease in staff costs as a result of reduced staffing levels in 2014, a $2.9 million decrease in legal costs related to the proceedings discussed in Part II, Item 1 "Legal Proceedings" disclosed within this Form 10-Q, a $1.5 million decrease in travel and business expenses due to reduced business activities, and a $0.6 million net decrease related to other miscellaneous G&A items.

Foreign Currency Exchange

The gain or loss on foreign currency exchange results from the revaluation of monetary assets and liabilities denominated in currencies other than the Company's functional currency, the US dollar, at each period end and from the settlement of the Company's receivables and payables denominated in foreign currencies.

Foreign currency exchange gains for the three months ended September 30, 2014 were $2.9 million, which was a $3.8 million change from the $1.0 million foreign currency exchange loss incurred during the same period in 2013. The $2.9 million gain is primarily due to a $3.0 million gain for the three months ended September 30, 2014 on the revaluation of the Cdn$73.3 million of Convertible Debentures. The Canadian dollar weakened in relation to the US dollar in the third quarter of 2014 compared with a strengthening in the same period in 2013.

Foreign currency exchange gains for the nine months ended September 30, 2014 were $3.0 million which was a $1.1 million change from the $1.9 million foreign currency exchange loss during the same period in 2013. The $3.0 million gain is primarily due to a $3.3 million gain for the nine months ended September 30, 2014 on the revaluation of the Cdn$73.3 million of Convertible Debentures. The Canadian dollar weakened more in relation to the US dollar during the nine months ended September 30, 2014 compared to the same period in 2013. The foreign exchange gain was partially offset by the Company holding less Canadian dollar cash in the first nine months of 2014 than it did in the same period in 2013, resulting in decreased losses on translation of the Canadian dollar cash in the first nine months of 2014 compared to same period in 2013.

Finance

Finance expense consists of interest expense and the unwinding of the discount rate for decommissioning obligations.

Finance expense for the three months ended September 30, 2014 was $1.9 million, which was $1.4 million higher when compared to the finance expense of $0.5 million incurred during the same period in 2013. The increase is primarily due a lower allocation of interest expense to capital projects mainly resulting from the Company suspending activity on its Tamarack oil sands project in the second quarter of 2014.

Finance expense for the nine months ended September 30, 2014 was $4.7 million, which was $2.7 million higher when compared to the finance expense of $2.0 million incurred during the same period in 2013. The increase is primarily due a lower allocation of interest expense to capital projects mainly resulting from Ivanhoe suspending activity on its Tamarack oil sands project in the first half of 2014.

Recovery of Income Taxes

The deferred income tax recovery for the three months ended September 30, 2014 was $nil, which was $0.9 million lower compared to a recovery of $0.9 million incurred during the same period in 2014. The decrease is primarily due to the impact of no additional deferred income tax recoveries being recognized for net operating losses.

The deferred income tax recovery for the nine months ended September 30, 2014 was $nil, which was $2.7 million lower compared to a recovery of $2.7 million incurred during the same period in 2014. The decrease is primarily due to the impact of no additional deferred income tax recoveries being recognized for net operating losses.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

LIQUIDITY AND CAPITAL RESOURCES

Contractual Obligations and Commitments

The following information about the Company's contractual obligations and other commitments summarizes certain liquidity and capital resource requirements. The information presented in the table below does not include planned, but not legally committed, capital expenditures or obligations that are discretionary and/or being performed under contracts which are cancelable with a 30-day notification period.

	Total	2014	2015	2016	2017	After 2017
Long term debt[1]	65,407	-	-	65,407	-	-
Interest on long term debt[1]	7,521	1,880	3,761	1,880	-	-
Decommissioning obligations[2]	4,984	-	-	196	-	4,788
Leases	1,253	187	393	271	244	158
Total	79,165	2,067	4,154	67,754	244	4,946

(1) Long term debt is denominated in Canadian dollars and has been translated to US dollars at an exchange rate of approximately Cdn$1.00 = US$0.8922.

(2) Represents undiscounted decommissioning obligations after inflation. The discounted value of these estimated obligations ($3.2 million) is provided for in the consolidated financial statements.

Long Term Debt and Interest

As described in the financial statements included in the 2013 Form 10-K, the Company issued Cdn$73.3 million of Convertible Debentures maturing on June 30, 2016. The Convertible Debentures bear interest at an annual rate of 5.75%, payable semi-annually on the last day of June and December of each year.

Decommissioning Provisions

The Company is required to remedy the effect of its activities on the environment at its operating sites by dismantling and removing production facilities and remediating any damage caused. At September 30, 2014, Ivanhoe estimated the total undiscounted, inflated cost to settle its decommissioning obligations in Canada, for the FTF in the United States and in Ecuador was $5.0 million. These costs are expected to be incurred in 2016-2032, 2029 and 2038, respectively.

Leases

The Company has long term leases for office space and vehicles, which expire between 2014 and 2018.

Other

Should Ivanhoe receive government and other approvals necessary to develop the northern border of one of the Tamarack Project leases, the Company may be required to make a cash payment to Talisman Energy Canada of up to Cdn$15.0 million, as a conditional, final payment for the 2008 purchase transaction. This section of the lease is not the subject of the current project for which the Company has requested approval from the AER.

From time to time, Ivanhoe enters into consulting agreements whereby a success fee may be payable if and when either a definitive agreement is signed or certain other contractual milestones are met. Under the agreements, the consultant may receive cash, common shares, stock options or some combination thereof. Similarly, agreements entered into by the Company may contain cancellation fees or liquidated damages provisions for early termination. These fees are not considered to be material.

The Company may provide indemnities to third parties, in the ordinary course of business, that are customary in certain commercial transactions, such as purchase and sale agreements. The terms of these indemnities will vary based upon the contract, the nature of which prevents Ivanhoe from making a reasonable estimate of the maximum potential amounts that may be required to be paid. The Company's management is of the opinion that any resulting settlements relating to indemnities are not likely to be material.

In the ordinary course of business, the Company is subject to legal proceedings being brought against it. While the final outcome of these proceedings is uncertain, the Company believes that these proceedings, in the aggregate, are not reasonably likely to have a material effect on its financial position or earnings.

Sources and Uses of Cash

The Company's cash flows from operating, investing and financing activities, as reflected in the unaudited condensed consolidated statements of cash flows, are summarized in the following table:

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Cash used in operating activities	(3,790)	(10,423)	(19,239)	(31,049)
Cash (used in) provided by investing activities	(445)	(4,060)	(3,712)	3,746
Cash provided by financing activities	15	4	12	19

Liquidity

On October 10, 2014, the Company announced that its working capital was augmented by a $2.2 million secured bridge loan provided by founder and Executive Co-Chairman, Robert Friedland. Concurrent with providing the bridge loan to the Company, Mr. Friedland resigned as the Company's Executive Co-Chairman and as a director citing potential conflicts of interest. The bridge loan bears interest at the rate of 10% per annum, with a maturity of six months from the date of advance. Mr. Friedland's loan is secured by a first charge against the assets of the Company, with the exception of all assets and subsidiaries of Ivanhoe Energy Latin America.

As at October 28, 2014, the Company had cash and cash equivalents of $2.0 million. The Company's existing financial resources are insufficient to fund the future capital expenditures necessary to advance the development of its existing projects. The Company expects to receive a net tax refund from a sovereign government, which will enhance liquidity in the near term. The Company also has engaged advisors who are assisting in the pursuit of additional funding with a view to providing the Company with sufficient liquidity through the end of 2015. There is no assurance that the Company will be able to secure sources of new financing, or do so on favorable terms.

These activities include discussions with a large international oil company for the creation of a joint financial participation arrangement in respect of its Block 20 project in Ecuador. The transaction contemplated by these discussions, if and when consummated, would be expected to generate additional cash. Ivanhoe's potential consortium partner in the Block has asked for additional time to review their potential investments due to a change in its senior management. It is expected that joint negotiations with the planned consortium and the Government will resume in the fourth quarter of 2014. However, no assurance can be given that the negotiations will resume during this time frame. Without timely access to a sufficient source of financing to enable the Company to make its planned capital expenditures and otherwise fund the cost of carrying on its business, the Company may have to significantly curtail its existing business activities and may be unable to continue as a going concern.

Operating Activities

Net cash used in operating activities for the three months ended September 30, 2014 was $3.8 million, which was $6.6 million lower compared to net cash used in operating activities of $10.4 million incurred during the same period in 2013. The decrease is primarily due to $3.0 million in decreased G&A expenses as discussed above which excludes non-cash share-based compensation expense, $4.7 million less in exploration and evaluation costs expensed for the Asia segment, and $1.1 million in other net changes impacting operating activities.

Net cash used in operating activities for the nine months ended September 30, 2014 was $19.2 million, which was $11.8 million lower compared to net cash used in operating activities of $31.0 million incurred during the same period in 2013. The decrease is primarily due to $9.9 million in decreased cash G&A expenses as discussed above which excludes non-cash share-based compensation expense, $4.7 million less in exploration and evaluation costs expensed for the Asia segment, and $2.8 million in other net changes impacting operating activities.

Capital Structure

	As at September 30, 2014		As at December 31, 2013	
Long term debt	61,319	55.0%	63,012	28.2%
Shareholders' equity	50,233	45.0%	160,277	71.8%
Total capital	111,552	100.0%	223,289	100.0%

On September 6, 2013, the Company received a notification letter from the Listing Qualifications Department of the NASDAQ notifying the Company that its common shares did not meet the minimum bid price requirements set forth in the NASDAQ Listing Rules and that the Company could regain compliance if, at any time prior to March 5, 2014, the closing bid price of the Company's common shares was at least $1.00 for a minimum of 10 consecutive business days. On February 18, 2014, the Company applied to the NASDAQ for an additional compliance period of 180 days, which was granted based in part on the Company's undertaking to effect a share consolidation sufficient to comply with the minimum price should other factors not result in a minimum price of $1.00 per share.

At a Special Meeting of Shareholders held on August 13, 2014, the Company's shareholders approved a proposal to effect a share consolidation as a means of regaining compliance with NASDAQ's minimum bid price requirements prior to September 2, 2014. On August 14, 2014, the Company announced that it would proceed with the share consolidation and that the Company's Board of Directors had selected a share consolidation ratio of one "new" common share for every seven existing common shares. The share consolidation reduced the number of outstanding common shares from approximately 114.8 million to approximately 16.4 million.

On September 3, 2014, the Company announced that it had received notification from the NASDAQ that it regained compliance with the $1.00 minimum bid price rule for a NASDAQ listed issuer. The Company's common shares maintained a closing bid price of at least $1.00 per share for the required 10 consecutive business days from August 18, 2014 to August 29, 2014.

RECENT DEVELOPMENTS

On October 10, 2014, the Company announced that its working capital was augmented by a $2.2 million secured bridge loan provided by founder and Executive Co-Chairman, Robert Friedland. Concurrent with the advancing of the bridge loan, Mr. Friedland resigned as the Executive Co-Chairman and as a director of the Company. Mr. Friedland is the largest shareholder of the Company, owning 16.78% of the issued and outstanding common shares, as well as holding $7.0 million principal amount of the Company's outstanding Convertible Debentures.

Mr. Friedland's bridge loan bears interest at the rate of 10% per annum, with a maturity of six months from the date of advance. The loan is secured by a first charge against the assets of the Company, with the exception of all assets and subsidiaries of Ivanhoe Energy Latin America.

On September 22, 2014, the Company announced the appointment of Blair Vago as the Company's Acting Vice President of Finance and Chief Financial Officer. Mr. Vago, Ivanhoe's Divisional Controller in Ecuador, assumed the duties of Vice President of Finance and Chief Financial Officer from Greg Phaneuf, whose resignation from the position took effect on October 10, 2014.

OUTLOOK

Corporate

Management's plans for financing future expenditures include traditional project financing, debt and mezzanine financing, the sale of non-current assets or the sale of equity securities as well as the potential for partnerships or other arrangements with strategic investors. However, no assurances can be given that Ivanhoe will be able to arrange such financing, to enter into one or more strategic business alliances with third parties or that the Company will be able to sell non-core assets on acceptable terms or raise sufficient additional capital. If the Company is unable to enter into such business alliances or obtain adequate additional financing, the Company may be required to abandon assets and otherwise curtail its operations.

Block 20 Project Update

The Company previously has disclosed its joint venture strategy with the goal of financing the continued appraisal and development of Block 20. Ivanhoe invited one of the world's largest national oil companies (NOC) that has experience working in Ecuador, to review Ivanhoe's investment in Block 20. This resulted in an agreement in principle subject to the approval of the Ecuadorian government. Structured commercially as a 'farm-in', the arrangement agreed in principle with the NOC will recognize Ivanhoe's investment to-date. If and when a definitive agreement is signed, the NOC will become the majority partner in and operator of Block 20.

Ivanhoe and the NOC presented a joint proposal to the Ecuadorian government on March 21, 2014. Due to the importance and size of Block 20, the government took time to carefully consider its options for the development of Block 20 and has decided that it would like to advance negotiations regarding the proposal.

In the interim, the NOC has asked for more time to review its potential investments on a world-wide basis due to a change in senior management. Ivanhoe is optimistic that the planned consortium and government negotiations regarding Block 20 will resume in the fourth quarter of 2014 with the possibility of a successful conclusion in the first quarter of 2015. However, no assurance can be given at this time.

Ivanhoe has negotiated the process and terms of a termination by mutual agreement of the Specific Services Contract with the government under which Ivanhoe has operated Block 20 since 2008 and the migration to a new Service Contract with the consortium. Ivanhoe and the NOC have worked to assure that this process fully complied with the government's protocol.

Tamarack

The Company continues to participate in industry wide initiatives to assist the AER in establishing a long term shallow SAGD Policy. To this end, a senior technical representative from Ivanhoe will sit on the Canadian Association of Petroleum Producer's (CAPP) steering committee. Feedback to the AER from this steering committee is anticipated to be delivered in the first quarter of 2015. The Company has suspended spending and development on Tamarack until the new shallow SAGD regulations are known. The Company continues to consider and investigate alternative technologies that can be used to develop the 2P reserves and resources of the Tamarack property.

Heavy to Light (HTL)

The Company's discussions with the National Oil Company of Colombia continued in the third quarter. Despite the recent drop in oil prices, the Company believes that HTL projects will still be able to generate attractive rates of return.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has been no material change in the Company's assessment of its sensitivity to market risk since its presentation set forth in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in the 2013 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

The Company's management, including its Executive Chairman and its Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of September 30, 2014. Based upon this evaluation, management concluded that these controls and procedures were (1) designed to ensure that material information relating to the Company is made known to the Company's Executive Chairman and its Chief Financial Officer as appropriate to allow timely decisions regarding disclosure and (2) effective, in that they provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

It should be noted that while the Company's Executive Chairman and its Chief Financial Officer believe that the Company's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the Company's disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

There were no changes in the Company's internal control over financial reporting in the quarter ended September 30, 2014, that have materially affected, or are reasonably likely to have a material effect on the Company's internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Cotundo Minerales S.A.

On August 9, 2013, Cotundo Minerales S.A. ("Cotundo") served us with a notice of claim against the Company, two of its subsidiaries, and Company board member Robert Friedland, filed in the Supreme Court of British Columbia. The Company and its two subsidiaries were served on August 9, 2013. The Company and its two subsidiaries filed a response on September 24, 2013. The suit alleges that the Company misused confidential information provided to it by Cotundo related to the Pungarayacu heavy oil field in Ecuador. Cotundo seeks damages in the form of lost profits, an imposition of a trust in favor of Cotundo, a transfer of Ivanhoe's interest in the Pungarayacu field to Cotundo, interest, and costs. To date, there have been no discovery requests.

The plaintiff and claims in the recent lawsuit by Cotundo overlap with those from a previous lawsuit filed against the Company, its subsidiaries, Mr. Friedland and others in the United States District Court for the District of Colorado on November 20, 2008. That case was dismissed by the trial court for lack of personal jurisdiction, and that dismissal was affirmed by the United States Court of Appeals for the Tenth Circuit on July 12, 2012. The plaintiffs filed a writ of certiorari with the United States Supreme Court, which was denied on January 14, 2013. Both the district court and the appellate court in the prior case awarded fees and costs to the Ivanhoe defendants.

The likelihood of loss or gain resulting from this dispute, and the estimated amount of ultimate loss or gain, are not determinable or reasonably estimable at this time. The Company believes that the plaintiff's claims have no merit.

GAR Energy

For details regarding this lawsuit see "GAR Energy" in Item 3 of the 2013 Form 10-K, which is incorporated herein by reference.

An evidentiary hearing on the merits (trial) in the ensuing arbitration was held September 9-13, 2013. On March 14, 2014 the Company received the decision from the arbitrators. The panel awarded a take-nothing judgment against the plaintiffs and in favor of the Company, meaning that the Company prevailed entirely on the merits. In addition, on June 11, 2014 the arbitrators awarded the Company $1.0 million in attorneys' fees. The plaintiffs had insurance coverage for this risk and the Company and the insurer agreed on a $0.8 million settlement. This payment was received in October 2014.

ITEM 1A: RISK FACTORS

Ivanhoe is exposed in varying degrees to normal market risks inherent in the oil and gas industry, including commodity price risk, foreign currency exchange rate risk, credit risk, interest rate risk and liquidity risk. The Company recognizes these risks and manages its operations to minimize the exposure to the extent practicable. There have not been any significant changes to the Company's exposure to risks, or processes to manage these risks as described in the Company's 2013 Form 10-K.

ITEM 6. EXHIBITS

Exhibit Number	Description of Document
10.1	Offer Letter between the Company and Blair Vago
31.1	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification by the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification by the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereto duly authorized.

IVANHOE ENERGY INC.

By: /s/ Blair Vago
Blair Vago
Acting Vice President and Chief Financial Officer

Date: October 30, 2014

EXHIBIT 10.1

Ivanhoe Energy

507 3100 Dundee Road Northbrook, IL 60062

September 19, 2014

PRIVATE AND CONFIDENTIAL
HAND-DELIVERED

Mr. Blair Vago
C/O Ivanhoe Energy Ecuador
Quito, Ecuador

Dear Blair,

Ivanhoe Energy Inc. considers retaining your expertise as important to the achievement of the company corporate objectives and the ongoing success of critical projects currently being undertaken by the organization.

Position

We are pleased to offer you a promotion to the position of **Acting Vice President, Finance & Chief Financial Officer** for Ivanhoe Energy Inc. Your employment will be based in the Chicago Illinois area and you will be repatriated from Quito, Ecuador to the USA to execute your new duties and responsibilities.

Base Compensation

In addition to your current base compensation of $ 174,632 you will receive an uplift of $ 75,368 (paid semi-monthly) which will increased your overall base compensation to $ 250,000 per annum. The change in compensation will be effective October 16, 2014.

The Company confirms the continuation of your current employment on the same terms and conditions as presently provided under your existing employment agreement which includes any annual awards for incentive compensation.

During the period of Acting Vice President Finance & CFO your total compensation will be managed at Grade Level C which will entitle you to variable pay targets for bonus consideration at 35% of base pay and an annual long term incentive target of 120% of base pay. Any allotment of incentive pay will be paid out in a combination of stock options and RSU awards.

<u>Long Term Incentive</u>
Subject to Board approval, and in recognition of your new duties and responsibilities, you will receive a **one time grant** of incentive stock options exercisable to purchase up to a total of 100,000 common shares of the Company pursuant to the Company's Employees' and Directors' Equity Incentive Plan (the "Plan") at a price per common share determined in accordance with the terms of the Plan. The Employee's incentive stock options will vest and become exercisable in accordance with the following schedule:

(a) Options in respect of an initial 25,000 common shares will become exercisable as of the 1st anniversary of the Commencement Date;
(b) Options in respect of an additional 75,000 common shares will become exercisable as to 25,000 common shares on the second through the fourth anniversaries of the Commencement Date and;
(c) Subject to earlier termination pursuant to the terms of the Plan, any of the Employee's incentive stock options remaining unexercised as of the seventh (7th) anniversary of the Commencement Date will expire and cease to be exercisable.

I am extremely pleased with your contribution to date and your commitment to Ivanhoe Energy Inc. I look forward to continuing to rely on your expertise as we advance the company.

Sincerely,

IVANHOE ENERGY INC.

<u>/s/ Carlos A. Cabrera</u>
Carlos A. Cabrera
Executive Chairman

ACCEPTED ON AND AGREE TO, this 19th day of September, 2014

<u>/s/ Blair Vago</u>
Blair Vago

Cc SVP Human Resources

EXHIBIT 31.1

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Carlos A. Cabrera, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ivanhoe Energy Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

* * *

By: /s/ Carlos A. Cabrera
Carlos A. Cabrera
Executive Chairman

Date: October 30, 2014

EXHIBIT 31.2

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Blair Vago, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ivanhoe Energy Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

* * *

By: /s/ Blair Vago
Blair Vago
Acting Vice President and Chief Financial Officer

Date: October 30, 2014

EXHIBIT 32.1

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Carlos A. Cabrera, Executive Chairman of Ivanhoe Energy Inc. (the "Company"), hereby certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(a) the Company's periodic report on Form 10-Q for the quarterly period ended September 30, 2014 (the "Form 10-Q"), fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and related interpretations; and

(b) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

* * *

By: /s/ Carlos A. Cabrera
Carlos A. Cabrera
Executive Chairman

Date: October 30, 2014

EXHIBIT 32.2

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Blair Vago, Chief Financial Officer of Ivanhoe Energy Inc. (the "Company"), hereby certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(a) the Company's periodic report on Form 10-Q for the quarterly period ended September 30, 2014 (the "Form 10-Q"), fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and related interpretations; and

(b) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

* * *

By: /s/ Blair Vago
Blair Vago
Acting Vice President and Chief Financial Officer

Date: October 30, 2014

This is Exhibit "O"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

District of: British Columbia
Division No. Vancouver
Court No.
Estate No.

FORM 33

NOTICE OF INTENTION TO MAKE A PROPOSAL
(Subsection 50.4(1) of the Act)

TAKE NOTICE THAT:

1. **IVANHOE ENERGY INC.**, an insolvent person, states, pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act (Canada)*, that it intends to make a proposal to its creditors.

2. Ernst & Young Inc. of 700 W Georgia St, Vancouver, BC, V7Y 1C7, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.

3. A list of the names of the known creditors with claims of $250.00 or more and the amounts of their claims is also attached.

4. Pursuant to section 69 of the Act, all proceedings against Ivanhoe Energy Inc. are stayed as of the filing of this notice with the official receiver in my locality.

Dated at Vancouver, British Columbia, this 20th day of February, 2015

IVANHOE ENERGY INC.

Per: CA Cabrera
Carlos Cabrera, Executive Chairman

To be completed by the official receiver:

Filing Date:

Official Receiver

30700508

CONSENT TO ACT AS TRUSTEE UNDER A PROPOSAL
SECTION 50.4(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT (CANADA)*

TO: IVANHOE ENERGY INC.

THE UNDERSIGNED, **ERNST & YOUNG** Inc., consents to acting as trustee under a proposal to be filed by **IVANHOE ENERGY INC.**, pursuant to Part III, Division I of the Bankruptcy and Insolvency Act (Canada).

Dated this 20th day of February, 2015

ERNST & YOUNG INC.

Per: ______________________________
Neil Narfason
Senior Vice-President

Industry Canada | Industrie Canada

Office of the Superintendent of Bankruptcy Canada | Bureau du surintendant des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-1963517
Estate No. 25-1963517

In the Matter of the Notice of Intention to make a proposal of:

Ivanhoe Energy Inc.
Insolvent Person

ERNST & YOUNG INC.
Trustee

Date of the Notice of Intention: February 20, 2015

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforenamed insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforenamed insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: February 20, 2015, 19:05

E-File/Dépôt Electronique

Official Receiver

Standard Life Tower, 639 5 Avenue SW, Suite 400, Calgary, Alberta, Canada, T2P0M9, (877)376-9902

Canada

Creditor Name	Claim Type	Claim Amount
The Bank of New York Mellon	Unsecured	$ 94,295,240.00
Robert Martin Friedland	Secured	$ 6,378,060.00
Goodmans VAN	Unsecured	$ 240,754.84
Pillsbury, Winthrop, Shaw, Pittman LLP	Unsecured	$ 200,588.52
BMO Nesbitt	Unsecured	$ 158,405.44
Goodmans TO	Unsecured	$ 147,554.08
AMEC Group Ltd. (GBP converted to USD)	Unsecured	$ 139,250.00
Deloitte LLP	Unsecured	$ 136,202.24
Carlos Cabrera	Preferred	$ 114,283.00
William Parry	Preferred	$ 91,135.00
GMM	Unsecured	$ 87,154.48
IHS Global	Unsecured	$ 76,234.02
Orrick, Herrington & Sutcliffe LLP	Unsecured	$ 68,803.06
CPA Global	Unsecured	$ 67,889.64
Blair Vago	Preferred	$ 65,704.00
Alberta Government	Unsecured	$ 64,881.96
Ernst & Young LLP	Unsecured	$ 61,875.40
Mike Silverman	Preferred	$ 55,524.00
Nasdaq Stockmarket LLC - Nasdaq Office of General Cou	Unsecured	$ 55,000.00
Joe Kuhach	Preferred	$ 53,300.00
Fort Mcmurray 468 First Nations	Unsecured	$ 52,500.00
Mikisew Cree First Nations	Unsecured	$ 50,627.90
Wager, Theodore	Unsecured	$ 43,750.00
Brookfield Heritage LLC	Unsecured	$ 39,102.68
Southwest Research Institute	Unsecured	$ 38,726.56
CST Trust Co.	Unsecured	$ 37,352.66
Regus	Preferred	$ 36,712.00
Gowlings Lafleur Henderson LLP	Unsecured	$ 34,683.99
Marlene Duff	Preferred	$ 34,062.00
Paull Weiss, Rifkind, Wharton & Garrison LLP	Unsecured	$ 33,153.76
Kings Bay Holdings	Unsecured	$ 31,605.00
CNW	Unsecured	$ 30,917.81
Amiercan Express Business Travel Account	Unsecured	$ 30,655.43
Dell Canada Inc.	Unsecured	$ 30,400.02
Thornton, Randolph	Unsecured	$ 25,000.00
The Tax Group	Unsecured	$ 22,591.80
Infor Canada	Unsecured	$ 22,569.79
Broadridge	Unsecured	$ 20,145.18
MNP LLP	Unsecured	$ 20,141.76
Metis Nation of Alberta / Ft McMurray Local 1935	Unsecured	$ 20,000.00
Ed Veith	Preferred	$ 19,500.00
Phoenix Heli-Flight	Unsecured	$ 18,684.04
GLJ Petroleum Consultants	Unsecured	$ 16,097.36
Kuhach, Joe	Unsecured	$ 15,848.44
Baker Botts	Unsecured	$ 15,683.55
Lavery, de Billy LLP	Unsecured	$ 12,502.41

AMEC Environmental	Unsecured	$	12,482.78
Layer2	Unsecured	$	12,039.74
1092155 Ontario	Unsecured	$	12,000.00
Highland Ridge Capital	Unsecured	$	12,000.00
Vertex Professional Services	Unsecured	$	11,158.04
IMC Int'l Mgmt	Unsecured	$	10,671.00
Control Solutions International	Unsecured	$	10,500.00
Chicago Council on Global Affairs	Unsecured	$	10,000.00
Murdoch, John	Unsecured	$	9,712.50
Guidance Software	Unsecured	$	8,631.75
Computershare	Unsecured	$	8,273.22
Pitney Bowes	Unsecured	$	8,068.54
Fu, Jeffrey	Unsecured	$	8,050.00
Deloitte	Unsecured	$	7,875.00
1566896 Alberta Ltd	Unsecured	$	7,084.69
Codan Services Ltd.	Unsecured	$	6,466.75
Norton Rose Fulbright Canada LLP	Unsecured	$	5,778.68
1747293 Alberta Ltd	Unsecured	$	5,370.75
Iron Mountain	Unsecured	$	5,362.76
Central Parking	Unsecured	$	5,056.20
Shaw Business	Unsecured	$	5,054.82
Jim Pelham		$	4,969.00
Dale Rycar	Preferred	$	4,950.40
Robert Half Management	Unsecured	$	4,830.00
Allstream	Unsecured	$	4,650.49
Infineon Networks	Unsecured	$	4,620.00
DGM Management Services Ltd.	Unsecured	$	4,590.00
AT&T Mobility	Unsecured	$	4,578.58
Pitney Works	Unsecured	$	4,555.42
Gerald Moench	Preferred	$	4,281.20
Webster, Gareth	Unsecured	$	4,213.65
Stockvantage	Unsecured	$	4,158.00
Citrix Online LLC	Unsecured	$	3,723.00
Norex	Unsecured	$	3,524.85
Hou, Amanda	Unsecured	$	3,450.00
1854225 Alberta Ltd	Unsecured	$	3,161.55
GMM	Unsecured	$	3,098.23
Rogers Wireless Inc.	Unsecured	$	3,060.03
Mike Sullivan / Tax Assessor-Collector	Unsecured	$	3,053.17
Landquest	Unsecured	$	3,016.40
KCS Corporate Services Pte Ltd	Unsecured	$	2,910.00
Jim Berridge	Preferred	$	2,536.80
Navex Global	Unsecured	$	2,455.00
Tan, Jacqueline	Unsecured	$	2,296.00
Emerson Network Power, Hebert CDA	Unsecured	$	2,205.07
Telus Communications	Unsecured	$	2,182.53
ADNET	Unsecured	$	2,172.96

De Lage Laden Financial Services Canada Inc.	Unsecured	$	2,085.57
Universal Patents and Trademarks	Unsecured	$	2,052.55
LP Office Services	Unsecured	$	1,963.50
Softchoice LP	Unsecured	$	1,837.50
Deloitte & Touche	Unsecured	$	1,800.00
Regus HQ Mgmt	Unsecured	$	1,763.80
Cogent	Unsecured	$	1,623.75
RGO Office Products	Unsecured	$	1,600.93
Orange Rook	Unsecured	$	1,575.00
Calgary Archives Corp	Unsecured	$	1,486.32
Ramirez, Marisol	Unsecured	$	1,459.24
FEDEX CDA LTD.	Unsecured	$	1,380.57
Schlumberger	Unsecured	$	1,338.75
Morneau Shepell	Unsecured	$	1,298.25
GE Capital	Unsecured	$	1,243.98
Mary Vincelli	Preferred	$	947.80
Legarreta Y Asociados Av Picacho Ajusco	Unsecured	$	932.80
SHI	Unsecured	$	885.55
Leaf	Unsecured	$	795.43
Solarwinds	Unsecured	$	790.00
Loren Siemens	Preferred	$	709.80
Complete Cleaning	Unsecured	$	651.99
Shaw Cable Systems	Unsecured	$	632.52
FedEX-Houston	Unsecured	$	616.06
AT&T	Unsecured	$	610.43
White Lion	Unsecured	$	530.56
Stericycle Communications	Unsecured	$	501.50
Express Applications	Unsecured	$	500.00
Lackowicz & Hoffman	Unsecured	$	423.56
Scheifelbein, Jerry	Unsecured	$	360.54
Namequest	Unsecured	$	351.75
Kaiway, Gary	Unsecured	$	350.00
Upstream AS	Unsecured	$	342.72
BNY Mellon	Unsecured	$	315.00
Michael Silverman	Unsecured	$	240.16
Vodigo Ltd	Unsecured	$	231.00
Verizon Wireless	Unsecured	$	223.91
Broadridge	Unsecured	$	210.46
McCormick, Barstow	Unsecured	$	210.00
Shred-it International ULC / DBA Shred-it Calgary	Unsecured	$	186.63
Alberta Government	Unsecured	$	174.65
Ambius JC Ehrlich Co Inc.	Unsecured	$	164.30
Office Depot Inc	Unsecured	$	142.90
Ricoh USA Inc	Unsecured	$	140.72
Ivanhoe Capital PTE LTD	Unsecured	$	120.14
Sentry Security	Unsecured	$	119.85
Vision Service Plan	Unsecured	$	97.83

Mission Geospatial	Unsecured	$	86.63
Pamela Thompson	Preferred	$	77.00
Josh Lexier	Preferred	$	72.80
Warehouse Direct	Unsecured	$	34.65
Jean Riddle	Preferred	$	20.30
Bell Canada	Unsecured	$	1.00
Talisman Energy Inc.	Secured	$	1.00
		$	103,624,047.02

This is Exhibit "P"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

SUBORDINATION AGREEMENT

Subordination Agreement dated October 10, 2014 among Ivanhoe Energy Inc. (the "**Debtor**"), Talisman Energy Canada ("**Old Secureco**") and Robert Martin Friedland (the "**Lender**").

WHEREAS:

A. The Lender has agreed to make a loan to the Debtor upon the terms and conditions contained in a Loan Agreement dated October 10, 2014 among the Debtor, as borrower, and the Lender (as it may at any time or from time to time be amended, supplemented, restated or replaced, the "**Loan Agreement**");

B. Pursuant to a Fixed and Floating Charge Debenture (the "**Lender Debenture**") dated October 10, 2014 granted by the Debtor in favour of the Lender, the Debtor has granted to the Lender a mortgage, charge and security interest in and to all of the Debtor's present and future real and personal property including, without limitation, the Debtor's Alberta Oil Sands Leases described on Schedule "A" attached hereto (the "**Leases**"), to secure the Lender Indebtedness;

C. Old Secureco, as vendor, and the Debtor, as purchaser, are party to an Asset Transfer Agreement dated July 11, 2008 (as amended, the "**Asset Transfer Agreement**"); and

D. Pursuant to a Fixed and Floating Charge Debenture dated as July 11, 2008 granted by the Debtor in favour of Old Secureco, the Debtor has granted to Old Secureco a mortgage, charge and security interest in and to certain real and personal property of the Debtor including, without limitation, the Leases to secure the Subordinated Indebtedness.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

As used in this agreement, the following terms have the following meanings:

1. As used in this Agreement, the following terms have the following meanings:

   "**Lender Indebtedness**" means all present and future indebtedness and other liabilities and obligations including all charges and fees of the Lender, whether contingent or absolute, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Debtor (whether alone or with another or others and whether as principal or surety) to the Lender.

   "**Lender Security**" means all security heretofore or hereafter granted by the Debtor to the Lender as security for the Lender Indebtedness including, without limitation, the Lender Debenture.

   "**Loan Documents**" means, collectively, (i) Loan Agreement; (ii) all security granted to the Lender as security for the Lender Indebtedness, and (iii) all other documents executed and delivered or to be executed and delivered by the Debtor (whether alone or with another or others) to the Lender under, pursuant to or otherwise in connection with, the Loan Agreement.

"Subordinated Loan Documents" means, collectively, (i) Asset Transfer Agreement, (ii) all security granted to Old Secureco as security for the Subordinated Indebtedness, and (iii) all other documents executed and delivered or to be executed and delivered by the Debtor (whether alone or with another or others) to Old Secureco under, pursuant to or otherwise in connection with, the Asset Transfer Agreement.

"Subordinated Indebtedness" means all present and future indebtedness and other liabilities and obligations, whether contingent or absolute, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Debtor (whether alone or with another or others and whether as principal or surety) to Old Secureco pursuant to the Asset Transfer Agreement.

"Subordinated Security" means all security heretofore or hereafter granted by the Debtor to Old Secureco as security for the Subordinated Indebtedness.

2. Notwithstanding the provisions of the Asset Transfer Agreement (including Section 13.1 thereof), Old Secureco hereby consents to the grant by the Debtor of the mortgages, charges and security interests in the real and personal property of the Debtor to the Lender pursuant to the Lender Security.

3. Notwithstanding the. provisions of the Asset Transfer Agreement (including Section 13.1 thereof), the Subordinated Indebtedness shall for all purposes be, and at all times remain, inferior, junior and subordinate to the Lender Indebtedness in the manner and to the extent provided in this Agreement. Except as expressly agreed to by the Lender in writing, all of the Lender Indebtedness shall be paid or repaid in full before any payment on account of, or in respect of, the Subordinated Indebtedness (whether as principal, interest, fees or otherwise) is paid or repaid.

4. All payments or distributions on account of, or in respect of, the Subordinated Indebtedness which are received by Old Secureco contrary to the provisions of this Agreement shall be received in trust for the benefit of the Lender, shall be segregated from other funds and property held by Old Secureco and shall be immediately paid over to the Lender in the same form as received (with any necessary endorsement) to be applied (in the case of cash) to, or held as collateral (in the case of non-cash or securities) for, the payment or prepayment of the Lender Indebtedness in accordance with the terms of the Loan Agreement.

5. Notwithstanding the provisions of the Asset Transfer Agreement (including Section 13.1 thereof), Old Secureco hereby agrees that the Subordinated Security shall for all purposes be, and at all times remain, inferior, junior and subordinate to the Lender Security and no amounts shall be payable or any action taken under the Subordinated Security except as permitted by this Agreement. For certainty, Old Secureco hereby agrees that the Lender Security shall, in relation to the Subordinated Security, have first-ranking priority with respect to the real and personal property of the Debtor referred to in the Lender Security

(including the Leases) and the Subordinated Indebtedness shall not have any claim to such real or personal property on a parity with or prior to the claim of the Lender Indebtedness.

6. Without limiting the generality of the provisions of Section 5 above, the subordination described in Section 5 above shall apply in all events and circumstances regardless of the time or order of creation, granting or execution of the Loan Documents and the Subordinated Loan Documents, the time or order of attachment, registration (including, without limitation, the filing of financing statements, security notices or other documents), creation or perfection of any mortgages, charges or security interests constituted by the Lender Security and the Subordinated Security, the time of any advance or advances made to the Debtor under the Loan Documents and the Subordinated Loan Documents, the time of any default by the Debtor under the Loan Documents and the Subordinated Loan Documents, or any priority granted by any principles of law or any statute.

7. Old Secureco shall not take or authorize to be taken any action by way of suit, foreclosure, sale, quit claim or acceptance of a deed in lieu of foreclosure or otherwise take any proceedings to realize against the assets or properties of the Debtor until such time as the Lender has notified Old Secureco in writing that the Lender Indebtedness has been indefeasibly paid in full and all commitments of the Lender under the Loan Documents have been terminated. Concurrently with such written notification being provided by the Lender, the Lender shall fully cooperate with Debtor to discharge all security notices, registrations, interests and other documents pertaining to the Lender Security.

8. In the event of an event of default under the Loan Documents or any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings in connection with or relating to the Debtor or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Debtor, whether or not involving insolvency or bankruptcy, or upon any assignment for the benefit of creditors or any marshalling of the assets and liabilities of the Debtor or otherwise, or in the event that the Debtor makes a bulk sale of any of its assets within the provisions of any bulk sales legislation or any composition with creditors or scheme or arrangement, then the Lender shall be entitled to receive payment of the Lender Indebtedness in full before Old Secureco shall be entitled to receive any payment on account of the Subordinated Indebtedness. The Lender shall be entitled to receive, for application in payment of the Lender Indebtedness, any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable to Old Secureco in respect of the Subordinated Indebtedness. In addition, any proceeds of insurance or expropriation received by the Debtor, the Lender or Old Secureco, with respect to any assets or property secured by the Lender Security shall be dealt with as though such proceeds of insurance or expropriation were paid or payable as proceeds of realization of the collateral for which they compensate. All payments or distributions upon, or with respect to, the Subordinated Indebtedness which are received by Old Secureco contrary to these provisions shall be received in trust for the benefit of the Lender, shall be segregated from other funds and property held by Old Secureco and shall be immediately paid over to the Lender in the same form as received (with any

necessary endorsement) to be applied (in the case of cash) to, or held as collateral (in the case of non-cash property or securities) for, the payment or prepayment of the Lender Indebtedness in accordance with its terms.

9. The Lender shall not be prejudiced in any way in the right to enforce this Agreement by any act or failure to act on the part of the Debtor or Old Secureco. The Lender may, at any time and from time to time, without any consent of, or notice to, Old Secureco and without impairing or releasing the obligations of Old Secureco under this Agreement (i) change the manner, place or terms of payment or change or extend the time of payment of, or renew or alter, the Lender Indebtedness (including any change in the rate of interest), or amend in any manner any of the Loan Documents, (ii) sell, exchange, release, perfect, not perfect, alter, renew or otherwise deal with any of the Lender Security, (iii) release any person liable in any manner under, or in respect of, any of the Loan Documents, (iv) exercise or refrain from exercising any rights against the Debtor, any guarantor of the Lender Indebtedness, or any other person, or (v) apply any sums from time to time received to the Lender Indebtedness.

10. Old Secureco agrees that it will not:

    (a) assert in any action, suit or proceeding whatsoever the invalidity, unenforceability or ineffectiveness of this agreement or any of the Loan Documents; or

    (b) participate in or co-operate with any other party to pursue any such action, suit or proceeding,

    it being understood and agreed that, regardless of the validity, effectiveness or enforceability of any Loan Document, as between Old Secureco and the Lender, the Lender shall have first and prior rights of payment as contemplated in this Agreement.

11. Nothing contained in this Agreement shall impair, as between the Debtor and Old Secureco, the obligation of the Debtor, which is absolute and unconditional, to pay to Old Secureco the Subordinated Indebtedness as and when the same becomes due and payable, all subject to the rights, if any, of the Lender to receive cash, property or securities otherwise payable or deliverable to the Lender under this Agreement or otherwise in accordance with the Loan Documents.

12. Old Secureco agrees not to sell, assign or transfer in whole or in part the Subordinated Indebtedness and the Subordinated Security unless and until the proposed purchaser, assignee or transferee has executed and delivered, to the satisfaction of the Lender, an agreement substantially the same as this Agreement.

13. Any notice required under this Agreement shall be deemed to have been delivered to such party on the day after the sending thereof by courier or facsimile to the address set out below:

ROBERT MARTIN FRIEDLAND
c/o Ivanhoe Capital Pte Ltd.
150 Beach Road, #25-03 The Gateway West, Singapore 189720
Facsimile: +65.6338.8228

TALISMAN ENERGY CANADA
Suite 2000, 888 – 3rd Street SW
Calgary, AB T2P 5C5
Attention: Executive Vice-President, Legal
Facsimile: (403) 237-1902

14. This Agreement shall be interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and the parties hereby attorn to the exclusive jurisdiction of the courts of the Province of Alberta.

15. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, personal representatives, successors and permitted assigns. All rights of the Lender shall be assignable and in any action brought by an assignee to enforce those rights, the Debtor and Old Secureco shall not assert against the assignee any claim or defence which the Debtor and Old Secureco now has or hereafter may have against the Lender. This Agreement shall not be assigned by the Debtor or Old Secureco without the prior written consent of the Lender, which consent may be unreasonably withheld.

16. No failure on the part of the Lender to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any right preclude any other or further exercise of the right or the exercise of any other right. No waiver of any provision of this Agreement nor consent to any departure by Old Secureco or the Debtor therefrom shall be effective unless the same is in writing and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. These remedies are cumulative and not exclusive of any remedies provided by law.

17. By executing this Agreement, the Debtor acknowledges its existence and agrees to be bound by its terms. Nothing in this Agreement shall confer or be deemed to confer any right, benefit or advantage on the Debtor. Notwithstanding the foregoing, the consent of the Debtor to any amendment of this agreement shall be required.

18. Each of the parties shall execute all such further agreements, instruments, assignments and other documents and shall do all such further acts and things as may reasonably be required from time to time to give full force and effect to this Agreement and the subordination and postponement provided for herein.

19. If any provision of this Agreement shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.

20. Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish the liability of the Debtor or Old Secureco under this Agreement nor shall the acceptance of any payment or alternate security constitute or create any novation and it is further agreed that the taking of a judgment or judgments under any of the covenants contained in this Agreement shall not operate as a merger of such covenants

21. As the context requires, words importing the singular number shall include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

22. This Agreement may be executed in counterparts and evidenced by e-mail pdf or facsimile signature, and such counterparts together shall constitute a single instrument.

23. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and, without limiting the generality of the foregoing, this Agreement shall not be affected by anything contained in any bilateral agreement between the Debtor and Old Secureco.

[execution page(s) follow]

The parties have executed this Subordination Agreement as of the 10th day of October 2014.

ROBERT MARTIN FRIEDLAND

By: ______________________________

Its: Authorized Signatory

TALISMAN ENERGY CANADA, by its Managing Partner, TALISMAN ENERGY INC.

By: ______________________________

Its: Authorized Signatory

IVANHOE ENERGY INC.

By: ______________________________

Its: Authorized Signatory

The parties have executed this Subordination Agreement as of the 10th day of October 2014.

ROBERT MARTIN FRIEDLAND	TALISMAN ENERGY CANADA, by its Managing Partner, TALISMAN ENERGY INC.
By: ______________________	By: ______________________
Its: Authorized Signatory	Its: Authorized Signatory

IVANHOE ENERGY INC.

By: ______________________

Its: Authorized Signatory

The parties have executed this Subordination Agreement as of the 10th day of October 2014.

ROBERT MARTIN FRIEDLAND

By: ______________________

Its: Authorized Signatory

TALISMAN ENERGY CANADA, by its Managing Partner, TALISMAN ENERGY INC.

By: ______________________

Its: Authorized Signatory

IVANHOE ENERGY INC.

By: ______________________

Its: Authorized Signatory

SCHEDULE "A"

LEASES:

1) Alberta Crown Oil Sands Lease – 7405110606
2) Alberta Crown Oil Sands Lease -7401100010

This is Exhibit "Q"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

COURT FILE NUMBER ESTATE NUMBER	25-1963517 25-1963517
COURT	COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF IVANHOE ENERGY INC.
DOCUMENT	**AFFIDAVIT OF BLAIR VAGO**
PARTY FILING THIS DOCUMENT	IVANHOE ENERGY INC.
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Cassels, Brock & Blackwell LLP 2200 – 885 West Georgia Street Vancouver, BC V6C 3E8 **Attention: Steven D. Dvorak** Tel: (604)691-6121 Fax: (604) 691-6120 File No: FID2090532

AFFIDAVIT OF BLAIR VAGO

Sworn on February 27, 2015

I, Blair Vago, of Evanston, Illinois, United States of America, Accountant, SWEAR (OR AFFIRM) THAT:

1. I am the Acting Chief Financial Officer of Ivanhoe Energy Inc. ("Ivanhoe Energy" or the "Company"), and as such have personal knowledge of the facts and matters hereinafter deposed to by me, save and except where the same are stated to be based upon information and belief, and where so stated I verily believe them to be true.

2. I am authorized to make this Affidavit on behalf of the Company.

Ivanhoe Energy's Operations

3. The Company primarily focuses on the production of heavy oil using novel and differentiated technology. The Company invested time, talent and resources to develop a rudimentary patent into a commercial process to convert heavy oil into a lighter synthetic crude. It enhanced this process into a significant intellectual property asset with several additional patents, data records of experimentation and trials at its facilities in Bakersfield, California and San Antonio, Texas. The Company conceived, developed and documented plans for offshore applications of this technology to allow processing of heavy oil at the well head. The result is a valuable store of intellectual property.

4. Since the sale of operating assets in 2009-2012 in the US and China, the Company has been predominantly a non-revenue, project development entity. The three principal projects are Tamarack in Canada, Block 20/Pungarayacu in Ecuador, and the HTL technology (discussed below).

Canada

5. The Company holds two oil sands leases (Lease 6 and Lease 10), each located about 15km north of Ft. McMurray, Alberta, in an area known as the Tamarack Field. These leases were purchased from Talisman Energy Inc. in 2008 for $75 million plus a contingent future payment of $15 million.

6. Following the purchase, the Company mapped and prepared development plans for eventual commercialization of the Tamarack Field. The data resources, including drilling logs, pressure measurements, experimentation with HTL and contract negotiations with First Nations, constitute valuable intellectual property which can be used in future partnerships or joint venture opportunities. As part of this effort, the Company evaluated other novel technologies and methodologies to extract heavy oil deposits from oil sands using lower pressures and more favourable environmental impact. This, too, is intellectual property for future application.

7. During this process, the Company spent tens of millions of dollars developing a two-phased, 40,000 barrels per day project on Lease 10 to extract the bitumen using conventional SAGD technology, and to upgrade the bitumen using the Company's HTL technology. The Company submitted the required applications for regulatory approval, and received an application completeness determination from the AESDR in January 2013. The Company expected approval to be given shortly thereafter by the ERCB, subject to resolving a statement of concern from Suncor which the Company expected would be adjudicated in a public hearing. Months elapsed with the regulators delaying approval. The two regulators were merged in the summer of 2014, further delaying action. Finally in the fall of 2014 the new regulator, the Alberta Energy Regulator ("AER"), began to express concern over approving shallow SAGD projects without a consultation process with industry and technical experts as to the approval standards to be employed.

8. In January 2015 the AER announced that it would no longer process applications that did not meet certain interim standards (one of which was a new requirement for full 3D seismic survey - the Company had only performed selective 3D seismic surveys), that there would be a thorough technical review of the factors that affect reservoir containment of shallow SAGD projects and that the AER would be consulting with stakeholders to develop formal regulatory requirements. The consensus expectation is that the process would last well into 2015. In light of this action by the AER, the Company has suspended activity on the project until there is greater regulatory certainty as to a path to approval. Until then, the Company is spending only as necessary to preserve the asset and continues to monitor the possibility of using an alternative technology to SAGD.

Ecuador

9. In 2008, the Company signed a Specific Services Contract ("SSC") with government-owned oil companies in Ecuador to explore and produce oil from Block 20, a potential oil field in an area known as Pungarayacu. The financial obligation was to spend $110 million in the appraisal stage of the contract. Through the end of 2013, the Company had spent approximately $70 million to map hydrocarbon resources in Block 20, a geologically complex and virgin field. This effort created an important data base of intellectual property with applicability to other fields in the region, which is ripe for commercialization when oil prices and markets permit.

10. In addition to its survey work, the Company did extract 50 barrels of oil from the well one of 4 wells it drilled in the region, and shipped it to the Company's HTL upgrading facility in Texas. The 8 API Heavy Oil was successfully upgraded to API 17, which meets pipeline specifications in Ecuador.

11. In view of the results from the exploration, the risks, and the ability of the Company to secure financing on its own, the company sought a partner and found one in CNPC, the large Chinese national oil company. In late 2012, a farm-in agreement was reached. The terms included a $50 million upfront cash payment to the Company, and a carry of $40 million in expenses, in exchange for a 70% operating interest in Block 20. CNPC's condition was that the Company terminate SSC and that the CNPC/Company consortium would sign a new Service Contract with the Government. The partners eventually managed to interest the government in the joint venture and in late 2013

serious discussions began with the government. In April 2014, Ivanhoe Energy and CNPC made a joint proposal to the Government to develop Block 20, with an expected investment of approximately 2 billion USD.

12. By June 2014, the government of Ecuador was openly supporting the joint venture, but at that time, for reasons described below in the section "Issues Leading to Insolvency", CNPC refused to advance the project. Company efforts to move CNPC into action failed.

13. In February 2015, the remaining employees in Ecuador were terminated and the SSC was terminated by mutual consent. The SSC termination agreement by mutual consent was signed on February 4, 2015.

HTL

14. In 2005 The Company purchased from Ensyn Corporation the rights to Ensyn's Rapid Thermal Process ("RTP") technology for use in petroleum feedstock applications, together with a demonstration unit in Bakersfield, CA. The Company named the petroleum process "HTL" (heavy to light) and has continued to develop the process since the purchase. In recent years the HTL operation was located in an office in Houston, Texas. The demonstration unit was closed and a feedstock testing facility designed and erected at Southwest Research Institute's facility in San Antonio, Texas. Among the many activities pursued in the effort to commercialize the process, the Company worked with an engineering contractor, AMEC, to design an HTL unit for Tamarack and engineer the modularization of the process equipment.

15. HTL is a chemical process technology to convert heavy oil into a lighter synthetic crude oil. The process also produces energy that can be used to produce steam for use in the production of heavy oil, and so displaces the need for other fuel to make steam, such as natural gas. The synthetic crude oil commands a much higher price than heavy crude oil, and the synthetic crude oil can be transported in pipelines without diluents.

16. Initially, the Company decided to use the HTL technology only in oil fields in which the Company had a direct interest in the production, such as Tamarack and Pungarayacu, neither of which has yet been commercialized. In the past 2-3 years, however, the Company has broadened its reach to attempt to extract value from the technology through other means.

17. The Company believes that this technology is ready for commercialization where an investor/operator sees compelling project economics and is willing to accept "first commercialization" risk. Some prospects may insist on additional testing at the Company's feed testing facility, requiring the plant to operate for longer testing intervals (e.g. 1 month). This would first require equipment modifications costing roughly $3-4 million.

Mongolia

18. In 2013, the Company completed a 106 kilometer 2-D seismic program. Independent consultants created a prospects report that combined this new seismic data and results from 2012 drilling. The report recommended three potential drill sites to be evaluated. The Company was granted a two-year extension to the initial five-year term of the exploration license, now set to expire July 19, 2015. The Production Sharing Contract permits an additional two year extension from July 2015. The Company has not found anyone interested in a farm-in or outright purchase.

Ivanhoe Energy's Principal Assets

Canada

19. Tamarack Lease 10 is a 6,880 acre lease located approximately 15km north of Fort McMurray. The Company's independent reserve evaluator, GLJ Petroleum Consultants Ltd. ("GLJ"), has assigned the lease 2P and 2C reserves at 512 million barrels of bitumen in GLJ's latest issued report (2013). The Company also owns all of the project development work, including a $5 million investment in engineering and regulatory approval work for a road north from Ft. McMurray to a point east of the lease and which includes a bridge across the Clearwater River. There is independent interest in building this road.

20. Tamarack Lease 6 is a smaller lease near, but not adjacent to, Lease 10. It is considered less desirable to develop and has not been well delineated.

21. In the Purchase Agreement with Talisman, Talisman was granted a security interest in the leases and other personal property subject to discharging two notes for the purchase price (which have been paid and discharged) plus a $15 million payment contingent on the Company receiving regulatory approval to develop a strip of the lease adjacent to Suncor's Tailings pond ("South Tailings Pond" or "STP) at the north end of the Lease 10

("Potential Recovery Area" or "PRA"). Given Suncor's opposition to the Company's development project even further away from the STP than the PRA, and given the heightened scrutiny that the AER is likely to place on shallow SAGD projects (including the new requirement of full 3D seismic), the chances of developing the PRA before the STP will close in the mid-2030s are remote, if not impossible.

Ecuador

22. As is noted above, the principal asset in Ecuador was the SSC, an agreement with Ecuadorian government-owned entities entered into in 2008. That contract has now been terminated and there are no remaining assets in Ecuador. However, the Company has minor residual obligations, noted in the Cash Flow Statements, which it must complete under the terms of its settlement of the SSC. There are no remaining assets in Ecuador other than residual intellectual property for Block 20 (Pungarayacu) based on the work performed, the value of which would have to be evaluated and determined at the time based on future events.

HTL

23. The HTL assets are (a) an exclusive license from Ensyn Corp. for its RTP technology in the petroleum field, (b) a patent portfolio and related data and know-how generated by the Company since the purchase from Ensyn, and (c) a feed testing facility ("FTF") located at Southwest Research Institute's facility in San Antonio.

Mongolia

24. Given the political and business environment in Mongolia, the Company does not believe that the exploration license and Production Sharing Contract, and any know-how and data collected, has any meaningful current commercial value.

Tax Losses

25. In December 2014, the Company engaged 'The Tax Group', a corporate tax preparation firm in Calgary, Canada, to assess its taxation status. The Tax Group provided a preliminary opinion based upon provisional data to the effect that the Company's Canadian Federal and Provincial non-capital losses are C$324.7 million and capital losses are C$83.4 million. Some of these losses may be disallowed due to being incurred at a holding company rather than operating company level. The losses may

also be subject to streaming rules based on whether control is acquired by the purchaser of the losses. Additionally, the losses may not be entirely useable due to the potential determination that the business has not been continuously operating. In addition, there are U.S. non capital losses of $78.4 million which may be limited according to US tax rules.

26. In 2012, the Company's subsidiary, Sunwing Zitong Energy Ltd., sold the Company's Zitong Block to Shell. Following the tax audit of the transaction and the wind down of the subsidiary, the Tainjin Offshore Oil Taxation Bureau (TOOTB) notified the Company in July 2014 that the Company was due a tax refund of $3.2 million. TOOTB then submitted its report to State Authority of Taxation in Beijing (SAT) recommending the tax refund. The Company was informed on the evening of February 26 that TOOTB has received direction from SAT. TOOTB is now alleging that the Company owes additional tax of approximately $285,000 rather than being entitled to receive a refund of $3.2 million. The Company has not had time to review this new position by TOOTB.

Issues Leading to Insolvency

27. Given the regulatory uncertainty in connection with the Tamarack project, in the spring of 2014 the Company began to address the repayment obligations under its debentures, due in June 2016. At that time the prospects for the Ecuador project looked positive, with the anticipated $50 million contractually-agreed cash payment due on signing of the SSC replacement agreement. In addition, the Company was making progress toward the commercialization of the HTL technology, and there were cost reductions from a strategic downsizing of the Calgary office.

28. From the spring of 2014 through early January 2015, the Company had periodic discussions with Suncor on the subject of selling all or part of Tamarack to Suncor and granting Suncor rights to HTL. The last iteration of these discussions led to a proposal that was very positive for the Company. The timing, however, could not have been worse. Oil prices were in steep and rapid decline, and within a week of this proposal Suncor announced a 1000 person layoff and a cut in their 2015 capital expenditure budget of $1 billion. The negotiations were discontinued.

29. In June 2014, just as the Ecuadorian government began to openly support the CNPC/Company joint venture project for Block 20, CNPC became paralyzed when

Chinese President Xi's corruption crackdown led to the arrest of a high level CNPC official. For months, the Company expended extensive efforts to persuade CNPC to take a stand on the project, to no avail. All CNPC would say is that the project had a lower priority than a project for a new refinery and a deal for the production from two existing fields in Ecuador. The magnitude of the capital required and the nature of the project and investment climate in Ecuador made the company dependent on CNPC in order to advance this project. The Company attempted to attract other potential investors but was unsuccessful.

30. Subsequently the precipitous drop of the oil price rendered the project even more difficult to advance. The Company was forced to terminate the SSC on February 4, 2015 without replacing it with a new services contract under the CNPC /Company joint venture. The termination of the SSC triggered termination payments, including employee severance obligations, all of which the Company could not afford without fresh financing. The Company would not receive farm-in funds from CNPC and would, in the result, have to write off the entire investment in Ecuador.

31. There was considerable hope that 2014 would be the year that the long road to a commercial HTL project would be achieved. It was anticipated that an on-shore project and off-shore project in Mexico would revive following the passage of the new Mexican petroleum law, that the Company's partnership with SBM Offshore would yield an off-shore project, known as a Floating Production Storage and Off-Loading facility. It was also anticipated that the Company's business development efforts in Colombia would produce a project since the heavy oil conditions in Colombia are perfectly aligned for high project investment returns. The Colombians remain interested, but more business development and technical work is needed. Considerable other efforts to try to interest large oil companies directly, and indirectly through the distribution channels to oil companies, did not produce interest. Ultimately, none of the efforts yielded sufficiently concrete results to present an improved story to investors, and then the unexpected oil price drop made such efforts all the more difficult.

Efforts to Recapitalize

32. In May 2014 the Company was introduced to BMO Capital Markets. BMO subsequently devised a recapitalization plan which it presented to the Management and then the Board.

33. Before and after this presentation, the Company looked at many possibilities for new funding and recapitalization, including a rights offering and funding from numerous sources including Morgan Stanley, Wainright, Imperial Capital, Melody, TD, Apollo, Wells Fargo, Crede, and Growth Capital Services.

34. Since several of the Company's Board members were holders of both the Company's equity and its debentures, a Special Committee of the Board was formed to guide negotiations and make recommendations to the Board. The Special Committee was comprised of members who did not hold debentures. The Committee hired its own legal counsel.

35. The Chairman of the Special Committee encouraged the Company to continue to seek alternative means for new funding and recapitalization. The Committee moved deliberately and eventually formally approved a term sheet for first lien new money, to address the Company's mid- and long-term liquidity issues.

36. In response to immediate liquidity issues, in October 2014, the Company sought outside sources of funding, and was only able to secure funds from the Company's founder and a former director of the Company, Robert Friedland.

37. On October 10, 2014, Mr. Friedland loaned US$2.2 million, representing the first of 3 short term loan amounts, to the Company. The purpose of this loan was to give the Company more time to adjust its capital structure by attempting to relieve its debt burden through negotiations with its bondholders. The loan from Mr. Friedland bears interest at 10% per annum, with a six month maturity, and is secured by a first charge over the assets of the Company (with the exception of all assets and subsidiaries of Ivanhoe Energy Latin America). The Company's only secured creditor at that time, Talisman, agreed to subordinate its security in order to facilitate this loan.

38. On December 29, 2014, the loan agreement was amended to increase the bridge loan by an additional US$0.54 million, which funds were used to pay director and officer insurance premiums and for general corporate purposes. Other terms remained the same except that the Talisman security was not subordinated.

39. On February 11, 2015, the loan agreement was amended again to increase the borrowing facility by a further US$2.37 million. These funds were used for severance and other obligations in Ecuador triggered by the termination of the SSC (in the amount

of US$1.16 million) and for paying down unsecured trade payables owed to two companies controlled by Mr. Friedland (in the amount of US$1.21 million), which payments were a condition of the advance. Other terms remained the same as for the second loan advance.

40. The existing debentures, with principal amount of C$73.3 million, had a coupon of 5.75% payable in cash or shares on June 30 2014 and December 30, 2014 and matured in June 2016. The bonds are unsecured, and are subordinate to the Company's trade debt.

41. The BMO plan involved offering the bondholders the option to exchange their bonds for a new debenture which would be secured in the Company's assets, offered an 8% coupon, and a December 2016 maturity date. If the bondholders decided to convert they would agree that if 66 2/3% of the bondholders agreed to the deal then the transaction would be imposed on 100% of the bondholders. The Company had an option in the new debenture agreement to convert the new bonds to equity immediately in the event that 66 2/3 % accepted the exchange.

42. The recapitalization plan required that an independent valuation firm be hired to value the Company's debt and equity. The Company hired Ernst and Young and received an initial valuation report that was later updated to reflect falling oil prices.

43. The bondholders were also offered the option to provide to the Company new money first lien debt. Any new money provided would also be secured in the Company's assets ahead of the current bondholders and the bondholders who exchanged. The coupon to be offered was 10% along with a warrant sweetener and a maturity of April 2017.

44. The Company executed NDA's with many other debt and equity firms to discuss the confidential transaction and provided access to the term sheet. The Company also engaged Highland Ridge Capital to provide the term sheet to its network. Highland Ridge approached about 30 institutional investors with the offer and although discussions were held, no offers to purchase the first lien debt were received.

45. Robert Friedland reviewed the term sheet and expressed interest in contributing new money to purchase first lien debt but only if another party could be convinced to join him in the transaction. The efforts to identify investors to invest along with Mr. Friedland failed.

46. In December 2014, Management met in Toronto with several of the significant holders of the Company's debentures. One firm, Stornoway Portfolio ("Stornoway"), expressed interest in supporting a transaction to allow for an orderly winding down of the Company that involved a sale of the Company's principal assets in the short term, but rejected the BMO plan. Stornoway proposed a transaction by which a percentage of the convertible debentures would be equitized and the balance would be retired through net proceeds from a sale of the of the Tamarack property. This offer was not acceptable to the Company because it did not fully equitize the debt.

47. Throughout this process, the falling oil price was creating volatility and difficulty in assigning value to the Company's assets, while reducing the potential pool of available capital.

48. After discussions with bondholders, management decided that the more prudent path to follow would be to attempt to amicably negotiate with the bondholders to equitize their bonds rather than convert them. In December and January, further discussions took place among Stornoway, the Company and Mr. Friedland, and a second offer to support converting all of the bonds to equity was presented. However, it required that others finance the Company for 9-12 months, which management calculated would require about $4 million in new money. The only potential source of this new money, Mr. Friedland, rejected this plan.

49. The Company did not make a bond interest payment in the amount of C$2.1 million, due on December 30, 2014, and did not have the funds to make the payment during the cure period which expired on January 30, 2015. On February 9, 2015, the Company received a demand from the Trustee for the Bondholders for immediate payment of the overdue interest instalment.

50. Due to the Company's liquidity crisis, the Board determined that the only viable path forward would be to continue the negotiations with its creditors under a court-supervised stay and restructuring process.

Proposal Funding and Timing

51. The Company is without any current source of revenue, and therefore is dependent upon interim funding to pursue its restructuring efforts in this proceeding. It has negotiated proposed terms of interim funding with Mr. Friedland, as described below. It

is a term of this funding proposal that the Company complete the Proposal process by June 1, 2015.

52. The Company has discussed the timing of steps necessary to complete this process by June 1 with the Proposal Trustee, and is satisfied, along with the Proposal Trustee, that, in view of the nature of the intended restructuring plan and the negotiations conducted prior to filing the Notice of Intention, the timeline is reasonable.

53. The basic timeline the Company intends to follow is:

Company's Initial Court Application:	March 6, 2015
Filing of Proposal with Trustee and Official Receiver:	April 21-28, 2015
Creditors' Meeting to Consider Proposal:	May 13, 2015
Court Application to Approve Proposal:	May 20, 2015
Implementation:	June 1, 2015

Interim Funding

54. As of the date of filing its Notice of Intention (February 20, 2015), the Company had cash on hand totalling approximately $118,000.

55. Working with the Proposal Trustee, the Company has established a budget for the period ending May 31, 2015, that will require US$1Million in additional funds to enable the Company to meet its requirements, including the payment of management salaries, minimal office and administrative support, and professional fees. These amounts are reflected in the Company's Cash Flow Statement, a copy of which is attached hereto and marked Exhibit "A".

56. The Company has negotiated a commitment to provide interim funding of US$1Million with Mr. Friedland. The essential terms of the interim funding agreement are set out in a Term Sheet, a copy of which is attached hereto and marked Exhibit "B".

57. The terms proposed have been negotiated with the involvement of the Proposal Trustee. They include:

(a) A base fee of 2%;

(b) Interest on the full advance, calculated at 13% per annum, compounded daily;

(c) Conditions precedent, including an Order the interim funding facility be approved by this Court in the form attached to the Term Sheet;

(d) Repayment by June 1, 2015.

58. Given its financial condition, the Company is not in a position to repay the interim funding being offered by Mr. Friedland unless it is able to pass a Proposal that includes additional funding for ongoing operations and repayment of the DIP Loan. Mr. Friedland is aware of this risk, but has agreed to offer interim funding on terms that the Company accepts as being reasonable in relation to the risk being assumed by the lender.

59. Mr. Friedland also requires that he be granted a court ordered, first ranking security interest for his interim funding.

60. Without interim funding, the Company will not be able to retain its management team, support staff (contracted) and professional advisors, and therefore would not be in a position to pursue its restructuring efforts, and would become bankrupt. In that event, the secured creditors, who are Mr. Friedland and Talisman (pursuant to its contingent payment rights in respect of the Tamarack transaction), would control the disposition of the Company's assets. The Company is satisfied that the value of its assets would not be maximized in these circumstances, particularly given the prevailing market conditions. For that reason, the Company believes that its value can be optimized by negotiating a compromise with its creditors, and establishing a strategic and supported path forward, through the Proposal process.

61. Management of the Company during the Proposal process will be undertaken by Carlos Cabrera (Executive Chairman), William Parry (Senior Vice President and General Counsel), and your deponent. Extracts from the Company's website, summarizing our respective involvement and roles in the Company, are collectively attached hereto and marked Exhibit "C".

62. Each of us has been actively involved in the efforts made prior to filing to negotiate alternative arrangements with creditors, and we collectively possess the necessary background and institutional knowledge to take those negotiations through the Proposal process with the help of insolvency Counsel and the guidance of the Proposal Trustee.

Administration and D+O Charges

63. The Company has retained as its legal counsel Cassels Brock & Blackwell LLP ("Cassels"), to advise and represent it during the Proposal process. To date, Cassels has worked with only a minimal cash retainer, and its continued involvement in this process is dependent upon the granting of an administration charge to protect its fees.

64. The Company has retained as its Proposal Trustee Ernst & Young Inc. To date, the Proposal Trustee has worked with only a minimal cash retainer, and its continued involvement in this process is dependent upon the granting of an administration charge to protect its fees.

65. The quantum of the proposed administration charge is $500,000, which is consistent with the budgets provided by these professionals for the Proposal process. Most of this amount is included in the Cash Flow Statement, to be paid out of interim funding, but the Company supports an order that protects these professionals on the basis that they should not be exposed to the risk of non-payment.

66. In addition, the directors and officers of the Company will remain exposed to deemed trust claims to a maximum of approximately $50,000 for each month during the Proposal process. Their continued involvement in the Company is crucial to this process, and accordingly the Company supports the granting of a Directors' and Officers' Charge in the sum of $200,000 to ensure that they are not exposed to personal liability for such amounts.

Outline of Proposal

67. The Company has, with the assistance of its Proposal Trustee, determined that the best way forward is to seek a consensus whereby its bondholders convert their debt to equity, on a basis that reflects the Company's current value. This is a continuation of the process that has been occurring for several months, and for that reason the Company is satisfied it can determine relatively quickly whether a viable Proposal can be created.

68. To advance this process, the Proposal Trustee has initiated an analysis of its prior valuations, and we anticipate that firm parameters can be established, and negotiations commenced, within the next 2 weeks.

69. With the Proposal Trustee's assistance, the Company will provide such information as the creditors may reasonably require to quickly and efficiently analyze the Company's circumstances and assess whether the Company's proposed terms offer a better result than a bankruptcy.

Timing of Proposal

70. Based upon discussions with the Proposal Trustee, and in particular the need to update the valuation, the Company has determined that it will not be in a position to prepare and file a Proposal within the initial time limit stipulated under the *Bankruptcy and Insolvency Act*. The Company and the Proposal Trustee have determined that the success of any Proposal will depend, in significant part, upon the Company's ability to deal with specific creditor claims (in particular, those of the bondholders), and to attract Contributory funding that will sustain the Company's operations during a planned period of dormancy.

71. With the support of the Proposal Trustee, the Company has developed a timeline that will allow the Company to first assess its current value, and the nature and extent of creditor claims, to meet and negotiate with its significant creditors, and then tailor a Proposal to best target the interests of stakeholders.

72. The Company's intention is to meet with the key creditors and the Proposal Trustee during the week of March 23, 2015, in order to continue the pre-filing discussions concerning the restructuring of the Company's debt. Thereafter, the Company, with the assistance of the Proposal Trustee, will prepare a Proposal which it expects can be presented to creditors by the week of April 21. This will facilitate a creditor meeting to consider the Proposal by May 13, 2015, and if approved, implementation of the Proposal by June 1, 2015.

73. These dates are dictated by the limited interim funding that is available to the Company, and the specific terms of the DIP Term Sheet, and will require the efficient conduct of this proceeding

SWORN (OR AFFIRMED) BEFORE ME)
at Northbrook, Illinois, on 27 Feb 2015.)

William E Parry
Attorney, IL License No. 3123924
3100 Dundee Road, Suite 507
Northbrook IL 60062

Blair Vago

This is Exhibit "R"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
V6C 2X8 (604) 631-1300

COURT FILE NUMBER	25-1963517
ESTATE NUMBER	25-1963517
COURT	COURT OF QUEEN'S BENCH OF ALBERTA IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF IVANHOE ENERGY INC.
DOCUMENT	**ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Cassels, Brock & Blackwell LLP 2200 – 885 West Georgia Street Vancouver, BC V6C 3E8 **Attention: Steven D. Dvorak** Tel: (604)691-6121 Fax: (604) 691-6120 File No: FID2090532

FILED MAR 06 2015 CALGARY

DATE ON WHICH ORDER WAS PRONOUNCED:	**March 6, 2015**
NAME OF MASTER/JUDGE WHO MADE THIS ORDER:	**Justice P.R. Jeffrey**
LOCATION OF HEARING OR TRIAL:	**Calgary, Alberta**

UPON THE APPLICATION of Ivanhoe Energy Inc (the "Company") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA"), coming on for hearing on March 6, 2015, at Calgary, Alberta, **AND UPON** hearing Steven D. Dvorak, counsel for the Company, Jeffrey Oliver, counsel for Ernst & Young Inc., counsel for Robert Martin Friedland, and David McKinnon, counsel for BNY Trust Company of Canada ("BNY");

AND UPON READING the first affidavit of Blair Vago, sworn February 27, 2015 (the "Vago Affidavit"), the First Report of Ernst & Young LLP in its capacity as the Proposal Trustee (the "Proposal Trustee"), filed, **AND UPON** reading the Company's cash-flow statement, appended as Exhibit "A" to the Vago Affidavit, **AND UPON** being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, **AND UPON** hearing the submissions of the Company's Counsel (as hereinafter defined), counsel for the Proposal Trustee, counsel for BNY, and counsel for the DIP Lender (as hereinafter defined), no one else appearing, **AND UPON** being satisfied that the terms of the DIP Term Sheet (as hereinafter defined) are reasonable and required by the Company;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the Application, the Vago Affidavit, and the First Report of the Proposal Trustee is hereby abridged and validated so that this Application is properly returnable today and further service thereof is hereby dispensed with.

PROPOSAL TRUSTEE'S POWERS

2. The Proposal Trustee is hereby empowered and authorized to take all steps required to implement the Definitive Documents (as hereinafter defined) including, without limitation, to

(a) assist the Company, to the extent required by the Company, in its dissemination, to the DIP Lender (as hereinafter defined) of financial and other information as agreed to between the Company and the DIP Lender;

(b) assist the Company in its preparation of the rolling cash-flow forecasts contemplated by the Definitive Documentation (as hereinafter defined) (the "Cash-Flow Statements") and reporting required by the DIP Lender, which information shall be reviewed with the Proposal Trustee and delivered to the DIP Lender in accordance with the Definitive Documents or as otherwise agreed to by the DIP Lender;

(c) report to this Court at such times and intervals as the Proposal Trustee may deem appropriate with respect to matters relating to the Charged Property (as hereinafter defined), and such other matters as may be relevant to the proceedings herein;

(d) have full and complete access to the Charged Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Company, to the extent that is necessary to adequately assess the Company's business and financial affairs or to perform its duties arising under this Order; and

(e) perform such other duties as are required by this Order or by this Court from time to time.

3. In addition to the rights and protections afforded the Proposal Trustee under the BIA or as an officer of this Court, the Proposal Trustee shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Proposal Trustee under the BIA or any other applicable legislation.

ADMINISTRATION CHARGE

4. The Proposal Trustee, counsel for the Proposal Trustee and Cassels Brock and Blackwell LLP, as the counsel to the Company in connection with these BIA proceedings (the "Company's Counsel"), shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements), in each case at their standard rates and charges, by the Company as part of the costs of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel for the Proposal Trustee and the Company's Counsel (for work performed in connection with these BIA proceedings) on a weekly basis.

5. The Proposal Trustee, counsel for the Proposal Trustee, BNY, counsel for BNY, and the Company's Counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on all assets, rights, undertakings and properties of the Company, of every nature and kind whatsoever, and wherever situated including all proceeds thereof (the "Charged Property"), which Administration Charge shall not exceed an aggregate amount of $500,000, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after making of this Order in respect of these proceedings, provided that the aggregate portion of the Administration Charge in favour of BNY and counsel for BNY shall not exceed $100,000. The Administration Charge shall have the priority set out in paragraphs 16 and 18 hereof.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

6. The Company shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Company after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

7. The directors and officers of the Company shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Charged Property, which charge shall not exceed an aggregate amount of $200,000, as security for the indemnity provided in paragraph 6 of this Order. The Directors' Charge shall have the priority set out in paragraphs 16 and 18 herein.

8 Notwithstanding any language in any applicable insurance policy to the contrary,

(a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and

(b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 6 of this Order.

DIP FINANCING

9. The execution by the Company of the DIP Term Sheet (as hereinafter defined) is hereby approved, *nunc pro tunc*, and the Company is hereby authorized and empowered to perform its obligations under the DIP Term Sheet and to obtain and borrow funds pursuant to the DIP Term Sheet among the Company (as borrower) and Robert Martin Friedland (in such capacity, the "DIP Lender") in order to finance the Company's working capital requirements (including payment of the fees and disbursements of the Proposal Trustee, counsel for the Proposal Trustee, and Company's Counsel in connection with these BIA proceedings) and other general corporate purposes and capital expenditures, in accordance with the Definitive Documents (as hereinafter defined), provided that borrowing under such credit facility shall not exceed US$1,000,000.

10. Such credit facility shall be on substantially the terms and subject to the conditions set forth in the DIP Term Sheet agreement dated February 27, 2015 and attached as Exhibit "B" to the Vago Affidavit (the "DIP Term Sheet"), together with such non-substantive modifications as may be agreed upon by the Company and the DIP Lender and consented to by the Proposal Trustee.

11 The Company and the DIP Lender are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents,

guarantees and other definitive documents (such documents, together with the DIP Term Sheet, collectively, the "Definitive Documents"), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof together with such non-substantive modifications as may be agreed upon by the Company and the DIP Lender and consented to by the Proposal Trustee, and the Company is hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

12. The DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Court Charge") on the Charged Property, which DIP Lender's Court Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Court Charge and any contractual security interests granted by the Company pursuant to the Definitive Documents (collectively with the DIP Lender's Court Charge, the "DIP Lender's Charge") shall attach to the Charged Property and shall secure all obligations under the Definitive Documents. The DIP Lender's Charge shall have the priority set out in paragraphs 16 and 18 hereof.

13 Notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge (a) the DIP Lender may cease making advances to the Company, and (b) the DIP Lender may (i) set off and/or consolidate any amounts owing by the DIP Lender to the Company against the obligations of the Company to the DIP Lender under the Definitive Documents and may make demand, accelerate payment and give other notices, and (ii) upon four (4) days' notice to the Company, the Proposal Trustee, and the Service List in this proceeding, exercise any and all of its rights and remedies against the Company or the Charged Property under or pursuant to the Definitive Documents or the Personal Property Security Act of British Columbia or any other applicable jurisdiction, the Uniform Commercial Code of the applicable jurisdiction including, without limitations, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Company and for the appointment of a trustee in bankruptcy of the Company; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Company or the Charged Property.

14. All claims of the DIP Lender pursuant to the Definitive Documents are not claims that may be compromised pursuant to any Proposal filed by the Company in these proceedings or any Plan filed by the Company under the *Companies' Creditors Arrangement Act* without the consent of the DIP Lender and, except as contemplated in the Definitive Documents, the DIP Lender shall be treated as unaffected in any Proposal or Plan or other restructuring with respect to any obligations outstanding to the DIP Lender under or in respect of the Definitive Documents.

15. Except to the extent contemplated by the Definitive Documents, the Company shall not file a Plan or Proposal in these proceedings or proceed with any other restructuring that does not provide for the indefeasible payment in full in cash of the obligations outstanding under the Definitive Documents as a pre-condition to the implementation of any such Plan or Proposal or any other restructuring without the prior written consent of the DIP Lender.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

16. The priorities of the Administration Charge, the Directors' Charge and the DIP Lender's Charge, as among them, shall be as follows, subject to paragraph 18 of this Order:

First — DIP Lender's Charge;

Second — Administration Charge (to the maximum amount of $500,000); and

Third — Directors' Charge (to the maximum amount of $200,000).

17. The filing, registration or perfection of the Administration Charge, the Directors' Charge or the DIP Lender's Charge (collectively, the "Charges") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

18. Each of the Charges shall constitute a charge on the Charged Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise.

19 Except as otherwise expressly provided for herein, or as may be approved by this Court, the Company shall not grant any Encumbrances over any Charged Property that rank in priority to, or *pari passu* with, any of the Administration Charge, the Directors' Charge or the DIP Lender's Charge, unless the Company also obtains the prior written consent of the Proposal Trustee, the DIP Lender and the beneficiaries of the Administration Charge and the Directors' Charge, or further Order of this Court.

20. The Administration Charge, the Directors' Charge, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by

(a) the pendency of these proceedings and the declarations of insolvency made herein;

(b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;

(c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;

(d) any deemed bankruptcy pursuant to the BIA;

(e) the provisions of any federal or provincial statutes; or

(f) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Company or the DIP Lender, and notwithstanding any provision to the contrary in any Agreement:

(i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or be deemed to constitute a breach by the Company or the DIP Lender of any Agreement to which any one of them is a party;

(ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Company entering into the Definitive Documents, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(iii) the payments made by the Company pursuant to this Order, the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at under value, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

21. Any of the Charges created by this Order over leases of real property in Canada shall only be a charge in the Company's interest in such real property leases.

EXTENSION OF TIME TO FILE PROPOSAL

22. The time within which a proposal must be filed with the Official Receiver under section 62(1) of the BIA be and is hereby extended to 4:00 p.m. Mountain Standard Time on May 5, 2015.

FOREIGN PROCEEDINGS

23. The Proposal Trustee is hereby authorized and empowered to act as the foreign representative in respect of the within proceedings for the purposes of having these proceedings recognized in a jurisdiction outside Canada

24. The Proposal Trustee is hereby authorized as the foreign representative of the Company and of the within proceedings, to apply for foreign recognition of these proceedings, as necessary, in any jurisdiction outside of Canada, and to take such actions necessary or appropriate in furtherance of the recognition of these proceedings in any such jurisdiction.

25. This Court requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States of America, Ecuador or in any other foreign jurisdiction, to give effect to this Order and to assist the parties and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the parties and to the Proposal Trustee, as an officer of this Court, as may

be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding.

GENERAL

26. The Company or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder, on providing two days' notice, unless otherwise directed by this Court.

27. Nothing in this Order shall prevent the Proposal Trustee from acting as an interim receiver, a receiver, a receiver and manager, monitor or a trustee in bankruptcy of the Company or the Charged Property.

28. Each of the DIP Lender and the Proposal Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and for assistance in carrying out the terms of this Order and any other Order issued in these proceedings.

29. Any interested party (including the Company, DIP Lender the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order, provided however that the DIP Lender shall be entitled to rely on this Order as issued for all advances made under the Definitive Documents up to and including the date this Order may be varied or amended.

30. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

31. The requirement that counsel attending this application, other than Company's Counsel, approve the form of this Order, is dispensed with.

Justice of the Court of Queen's Bench of Alberta

APPROVED AS TO FORM AND CONTENT
THIS 6th DAY OF MARCH, 2015.

CASSELS, BROCK & BLACKWELL LLP

PER: ______________________
STEVEN D. DVORAK
Counsel for Ivanhoe Energy Inc.

This is Exhibit "S"
to the affidavit of Peter Meredith,
sworn before me on the 9th day
of June, 2015

Notary Public

MATTHEW NIED
BARRISTER AND SOLICITOR
STIKEMAN ELLIOTT LLP
SUITE 1700 PARK PLACE 666 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA, CANADA
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Yannick Katirai
Direct: (416) 869-5556
E-mail: ykatirai@stikeman.com

BY E-MAIL

June 4, 2015
File No.: 133987.1005

Ernst & Young Inc.
In its capacity as Trustee in Bankruptcy
of Ivanhoe Energy Inc.
1000, 440 - 2nd Avenue SW
Calgary, Alberta T2P 5E9

Attention: Messrs. Neil Narfason and
Neil Honess

Dear Sirs:

Re: Debtor-in-possession financing pursuant to a DIP Term Sheet between Robert Martin Friedland and Ivanhoe Energy Inc. dated February 27, 2015

We refer to the DIP Term Sheet (the "**DIP Term Sheet**") dated February 27, 2015 between Robert Martin Frieldand (the "**Lender**") and Ivanhoe Energy Inc. ("**Ivanhoe**"), pursuant to which the Lender provided debtor-in-possession financing to Ivanhoe in connection with Ivanhoe's proposal proceedings under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3. Capitalized terms not defined in this letter have the meanings ascribed to them in the DIP Term Sheet.

As at June 1, 2015, Ivanhoe was indebted to the Lender in the amount of US $1,030,731.33, including interest, fees and expenses in accordance with the DIP Term Sheet. Interest, fees and expenses continue to accrue.

Ivanhoe is in default of its obligations under the DIP Term Sheet and has committed the following events of default or has permitted them to occur and continue, including but not necessarily limited to:

1. A deemed assignment of Ivanhoe into bankruptcy has occurred;

2. Ivanhoe has failed to pay the Principal Amount outstanding under the DIP Term Sheet on the Maturity Date, being June 1, 2015;

3. Ivanhoe has failed to pay interest on the DIP Facility and/or fees under the DIP Term Sheet when due and payable;

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4. Ivanhoe has failed to file a Proposal with the Proposal Trustee on or before April 21, 2015;

5. Ivanhoe has failed to receive the required approval of all classes of creditors to a Proposal by May 13, 2015; and

6. The Trustee has failed to apply to the Court for approval of a Proposal within 5 business days following its approval by all classes of creditors.

Accordingly, the Lender hereby demands payment of all amounts owing by Ivanhoe:

1. US $1,000,000.00, being the Principal Amount outstanding under the DIP Term Sheet;

2. US $30,731.33, being interest accrued on the Principal Amount since the date of the DIP Term Sheet;

3. All fees and expenses and other amounts owing in connection with the DIP Term Sheet, in an amount to be specified by the Lender; and

4. All interest, fees and expenses accruing from and after the date of this demand.

Please make payment forthwith to the Lender at the following address:

Robert Martin Friedland
c/o Ivanhoe Capital Pte Ltd.
150 Beach Road, #25-03 The Gateway West
Singapore 189720

The Lender reserves all rights to make further demand for payment of any and all additional amounts owing by Ivanhoe or to commence legal action to recover the amount of the debt, including the exercise of any and all rights and remedies set out in the DIP Term Sheet. Among other things, the Lender reserves the right to apply to a court of competent jurisdiction for the appointment of a receiver of the undertaking, property and assets of Ivanhoe.

Please call me directly if you have any questions.

Yours truly,

Yannick Katirai

YK/jr

cc. Peter Meredith
Ashley Taylor - *Stikeman Elliott LLP*
Quentin Markin - *Stikeman Elliott LLP*
Geoffrey Holub - *Stikeman Elliott LLP*
Thomas Cumming - *Gowling Lafleur Henderson LLP*

STIKEMAN ELLIOTT

Stikeman Elliott LLP Barristers & Solicitors

5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9
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Yannick Katirai
Direct: (416) 869-5556
E-mail: ykatirai@stikeman.com

BY E-MAIL

June 4, 2015
File No.: 133987.1005

Ernst & Young Inc.
In its capacity as Trustee in Bankruptcy
of Ivanhoe Energy Inc.
1000, 440 - 2nd Avenue SW
Calgary, Alberta T2P 5E9

Attention: Messrs. Neil Narfason and Neil Honess

Dear Sirs:

Re: Loan Agreement and Debenture between Robert Martin Friedland and Ivanhoe Energy Inc. (as subsequently amended and supplemented)

We refer to the Loan Agreement dated as of October 10, 2014 between Ivanhoe Energy Inc. ("**Ivanhoe**") and Robert Martin Friedland (the "**Lender**"), as amended pursuant to a Loan Agreement Amendment dated December 20, 2014 and a Loan Agreement Second Amendment dated February 10, 2015 (the "**Loan Agreement**"). We refer also to a Fixed and Floating Charge Debenture dated October 10, 2014 and a First Supplementary Debenture dated February 10, 2015 (together, the "**Debentures**"). Capitalized terms not defined in this letter have the meanings ascribed to them in the Loan Agreement and the Debentures.

As at June 1, 2015, Ivanhoe was indebted to the Lender in the amount of US $5,347,983.24, including interest, fees and expenses in accordance with the Loan Agreement and the Debentures. Interest, fees and expenses continue to accrue.

Ivanhoe is in default of its obligations under the Loan Agreement and the Debentures and has committed the following events of default or has permitted them to occur and continue, including but not necessarily limited to:

1. Ivanhoe has failed to repay all Loan Indebtedness outstanding under the Loan Agreement on the Maturity Date, contrary to section 3.1;

2. Ivanhoe has failed to make principal, interest or fee payments under the Loan Agreement and the Debentures;

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3. Ivanhoe has commenced a voluntary proceeding under applicable bankruptcy or insolvency legislation;

4. Ivanhoe has been deemed to have made a general assignment for the benefit of its creditors; and

5. There has occurred events and developments that, in the Lender's opinion, are each likely to have a Material Adverse Effect.

Accordingly, the Lender hereby demands payment of all amounts owing by Ivanhoe:

1. $5,110,016.00, being the Principal Balance outstanding under the Loan Agreement;

2. $237,967.24 being interest accrued on the Principal Balance since the date of the Loan Agreement;

3. All fees and expenses and other amounts owing in connection with the Loan Agreement and the Debentures, in an amount to be specified by the Lender; and

4. All interest, fees and expenses accruing from and after the date of this demand.

Please make payment forthwith to the Lender at the following address:

Robert Martin Friedland
c/o Ivanhoe Capital Pte Ltd.
150 Beach Road, #25-03 The Gateway West
Singapore 189720

The Lender reserves all rights to make further demand for payment of any and all additional amounts owing by Ivanhoe or to commence legal action to recover the amount of the debt, including the exercise of any and all rights and remedies set out in the Loan Agreement and the Debentures. Among other things, the Lender reserves the right to apply to a court of competent jurisdiction for the appointment of a receiver of the undertaking, property and assets of Ivanhoe.

Please call me directly if you have any questions.

Yours truly,

Yannick Katirai

YK/jr

cc. Peter Meredith
Ashley Taylor - *Stikeman Elliott LLP*
Quentin Markin - *Stikeman Elliott LLP*
Geoffrey Holub - *Stikeman Elliott LLP*
Thomas Cumming - *Gowling Lafleur Henderson LLP*