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

BANKRUPTCY AND INSOLVENCY
FAILLITE ET INSOLVABILITE
FILED
Clerk's Stamp
MAR 03 2015
JUDICIAL CENTRE
OF CALGARY

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.	)	
W.E. Parry	)	Blair Vago
William E. Parry Attorney, IL License No. 3123924 3100 Dundee Road, Suite 507 Northbrook IL 60062	)	Blair Vago

EXHIBIT A

Cash Flow Statement

This is **Exhibit A** referred to in the affidavit of Blair Vago sworn before me at Northbrook, Illinois on 27 Feb 2015

W E Parry

William E. Parry
Lawyer

Ivanhoe Energy Inc.
Projected Monthly Cash Flow Statement
For the period February 20, 2015 to May 31, 2015
(US$, unaudited)

	Notes	February	March	April	May	Total
Opening cash balance		118,797	40,779	645,251	307,233	118,797
Receipts						
Interim Financing	1	-	1,000,000	-	-	1,000,000
		-	1,000,000	-	-	1,000,000
Disbursements						
Office administration costs	2	(5,110)	(9,110)	(9,110)	(9,110)	(32,440)
Corporate, statutory and accounting costs	3	(29,600)	(69,600)	(59,200)	(56,000)	(214,400)
Employee and management compensation	4	(43,308)	(47,808)	(43,308)	(43,308)	(177,732)
Tamarack - consultant costs	5	-	(2,400)	(2,400)	(2,400)	(7,200)
Tamarack - Alberta Government fees	6	-	(55,010)	-	-	(55,010)
Heavy to Light plant maintenance	7	-	(4,000)	(4,000)	(4,000)	(12,000)
Ecuador environmental audits	8	-	(15,000)	(10,000)	(3,000)	(28,000)
Information Technology costs	9	-	(10,000)	-	-	(10,000)
Interim financing fees and interest	10	-	(20,000)	-	(32,411)	(52,411)
Professional fees	11	-	(127,600)	(175,000)	(120,000)	(422,600)
Lender travel and legal expense	12		(20,000)	(20,000)	(20,000)	(60,000)
Contingency		-	(15,000)	(15,000)	(10,000)	(40,000)
		(78,018)	(395,528)	(338,018)	(300,229)	(1,111,793)
Surplus/(deficit) receipts over disbursements		(78,018)	604,472	(338,018)	(300,229)	(111,793)
Closing cash balance		40,779	645,251	307,233	7,004	7,004

This statement of projected cash flow of Ivanhoe Energy Inc. has been prepared in accordance with Section 50.4(7)(b) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on Cash Flow statement and the Report on Cash Flow by the Person Making the Proposal.

Ivanhoe Energy Inc.

Per: Blair Vago

2/27/15
Date

EY Inc.

Per: Neil Narfason

Date

Ivanhoe Energy Inc.
Notes to the Projected Cash Flow Statement
For the period February 20, 2015 to May 31, 2015
(US$, unaudited)

1 Interim Financing, subject to Court Approval, to be provided by existing secured creditor Robert Martin Friedland ("RMF").
2 March to May 2015 rent and office costs for Ivanhoe's Chicago offices.
3 Ivanhoe's accounting, investor relations and corporate secretary functions are provided by Global Mining Management ("GMM"), a Vancouver based business shared by other companies owned by RMF. GMM's services are required to enable Ivanhoe to continue statutory filings, liaison with investors and accounting functions during the proposal period. Payments in the cash flow include ongoing monthly costs. GMM holds a two month deposit which, combined with payments in the cash flow, will allow Ivanhoe to maintain these critical services to June 30, 2015.
4 Remuneration for management team.
5 Payment to consultant on-site to monitor leased lands.
6 Amounts due to the Alberta government in respect of the oil sands lease. The amount due to the Alberta Government is C$64,882 and relates to the period 2014/2015. It is due on or before March 6, 2015 otherwise a 20% penalty will be levied. The Company and the Trustee are reviewing whether the Alberta government has any priority or security position that would require Ivanhoe to pay this amount or if non-payment would jeopardize the successful implementation of Ivanhoe's proposal.
7 Basic maintenance of Heavy To Light plant in San Antonio, Texas.
8 Required environmental audits to conclude termination of Ecuador lease and liabilities.
9 Costs to move IT services to GMM's location in Vancouver from current Ivanhoe offices in Calgary.
10 The Interim Financing has a placement fee of 2% and interest of 13% annually. The Cash Flow assumes the Interim Financing is advanced on March 1, 2015 and repaid in full on May 31, 2015.
11 Proposal Trustee, Ivanhoe's Counsel and Trustee's counsel fees and tax filing fees.
12 Per DIP term sheet, reasonable travel and legal expense of lender

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

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
Judicial Centre: Calgary
IN BANKRUPTCY AND INSOLVENCY

In the Matter of the Proposal of
IVANHOE ENERGY INC.

AFFIDAVIT

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.)

W.E Parry

William E. Parry
Attorney, IL License No. 3123924
3100 Dundee Road, Suite 507
Northbrook IL 60062

Blair Vago

EXHIBIT B

Term Sheet

This is **Exhibit B** referred to in the affidavit of Blair Vago sworn before me at Northbrook, Illinois on 27 Feb 2015

W.E. Parry

William E. Parry
Lawyer

DIP TERM SHEET

IVANHOE ENERGY INC.

BORROWER:	Ivanhoe Energy Inc. (the "**Borrower**"), effective upon the granting of the DIP Order (as hereinafter defined) under the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**" and the "**BIA Proceedings**"), but subject to the conditions of this DIP Term Sheet.
LENDER:	Robert Martin Friedland (the "**Lender**")
TYPE OF DIP FACILITY:	A promissory note in the principal amount of US$1,000,000 (the "**Principal Amount**"), such promissory note together with the terms and conditions set out herein (the "**DIP Facility**"). There is no standby facility or commitment.
AVAILABILITY:	The Lender shall advance directly to the Borrower the Principal Amount, against payment by the Borrower of all fees and charges owing under the DIP Facility.
INTEREST RATE:	13% calculated daily, not in advance. Interest shall be calculated daily for the actual number of days elapsed in the period during which it accrues based on a year of 365 or 366 days, as the case may be.
PURPOSE/USE OF PROCEEDS:	Proceeds of the DIP Facility shall be used for working capital purposes and advances hereunder will be made strictly in accordance with (i) the terms hereof; (ii) the DIP Order (as hereinafter defined); and (iii) the detailed cash-flow projections prepared by the Borrower dated February 27, 2015 and acceptable to the Lender, a summary of which are included in the materials filed in connection with the DIP Order, as updated from time to time with the approval of the Lender (the "**Cash-Flow Statements**").
REPAYMENT:	The DIP Facility shall be repayable in full on the date (the "**Maturity Date**") which is the earlier of (i) June 1, 2015 or such later date as the Lender in his sole discretion may agree to in writing on amended terms and conditions, (ii) the effective date of the implementation of a proposal under the BIA, and (iii) an occurrence of an Event of Default (as hereinafter defined) which has not been waived by Lender.
APPLICATION FEE:	2% of the Principal Amount, which fee will be fully earned upon issuance of the DIP Order, and the Borrower hereby irrevocably directs the Lender to pay the Application Fee as a deduction from the advance of the Principal Amount of the DIP Facility.
CONDITIONS PRECEDENT TO FUNDING:	The DIP Facility shall be subject to the following conditions precedent, all of which shall be for the benefit of the Lender and shall be satisfied on or prior to the advance of the Principal Amount of the DIP Facility: (a) a Court of competent jurisdiction shall have issued an order or orders, in form and substance acceptable to the Lender pursuant to the BIA on or before March 6, 2015 in relation to the Borrower (the "**DIP Order**"),

extending the time for filing a Proposal until at least May 5, 2015 (except as hereinafter expressly provided in favour of the Lender) against the Borrower and its assets and shall include:

(i) provisions approving this DIP Term Sheet and the DIP Facility created herein and the execution and delivery by the Borrower of such other documents as the Lender deems necessary or appropriate, acting reasonably;

(ii) provisions granting to the Lender, as security for this DIP Facility, fixed and floating charges, mortgages, general security interests and hypothecs or the equivalent thereof, on all present and future assets of the Borrower, real or personal, wherever situate, in the manner and having the priority as set out herein, including as further described below (the "**DIP Charge**");

(iii) provisions authorizing and directing the Borrower to execute and deliver such loan, guarantee and security documents relating to the DIP Facility and such security documents evidencing the DIP Charge in such form and substance as the Lender may reasonably require;

(iv) provisions authorizing the Lender to effect registrations, filings and recordings wherever in their discretion they deem appropriate regarding the DIP Charge;

(v) provisions confirming that the DIP Charge and the documents delivered pursuant hereto (collectively, the "**DIP Facility Security**") shall have priority over all present and future charges, encumbrances and security, whether legal or equitable;

(vi) provisions providing that the DIP Charge shall be valid and effective to secure all of the obligations of the Borrower to Lender under the DIP Facility without the necessity of the making of any registrations or filings and whether or not any other documents are executed by the Borrower and the Lender pursuant hereto;

(vii) provisions declaring that the granting of the DIP Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Charge do not constitute conduct meriting an oppression remedy, settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions under any applicable federal or provincial legislation;

(viii) provisions restricting the granting of any additional liens or encumbrances on the assets of the Borrower other than as permitted herein and in the DIP Order;

(ix) provisions providing the Lender and his advisors access to the books and records of the Borrower and such other information as the Lender and their advisors deem necessary or desirable, acting reasonably;

(x) provisions ordering and declaring the Lender, in his capacity as DIP Lender only, to be treated as an unaffected creditor in any plan or proposal and providing that the stay of proceedings under the BIA and the DIP Order shall not apply, in the event of a Default, to:

A. prevent the Lender from exercising his respective rights to terminate the DIP Facility and make demands thereunder; or

B. prevent the Lender from applying to the Court for the appointment of a receiver and manager and/or for the appointment of a trustee in bankruptcy in connection with the enforcement of the DIP Charge or to seek other relief in connection with and for purposes of payment of the DIP Facility;

(b) the Borrower shall have provided to the Lender the Cash-Flow Statements in form and substance satisfactory to the Lender, concurrent with their filing with the Court;

(c) all documents and registrations, filings and recordings in respect of the DIP Charge and the DIP Facility Security as may be reasonably required by the Lender shall have been delivered or effected; and

(d) all of the reasonable expenses of the Lender with respect to this DIP Term Sheet, including, without limitation, reasonable travel expenses and reasonable legal fees of one law firm engaged by the Lender in connection with the DIP Facility, to a maximum of $60,000, will be paid by the Borrower.

COVENANTS:

(a) The Borrower shall not, without first obtaining the written consent of the Lender, use the property of the Borrower, real or personal to:

(i) guarantee the performance, obligations or debt of the Borrower to any another party or guarantee the performance, obligations or debt of any other party to a third party; or

(ii) finance, directly or indirectly, any person or make any investment.

(b) The Borrower shall deliver to the Lender:

(i) on the first business day in each second week, an update to the Cash-Flow Statements accompanied by a variance analysis explaining how and why actual results for the immediately preceding week varied from projected results for such week;

(ii) notice thereof forthwith upon the Borrower determining that there will be, or has been, any material change to the Cash-Flow Statements (and provided that for purposes of this provision, any change or deviation in the Cash-Flow Statement that is 2% or greater than that presented to the Lender will be consider "material");

(iii) a weekly status update and plan regarding the restructuring process, which may delivered orally by teleconference call with the Lender; and

(iv) such other information as may be requested by the Lender from time to time, acting reasonably.

(c) The Borrower shall not make any payment or do anything materially inconsistent with the Cash-Flow Statements, including make any payment to any creditor not accounted for in the Cash-Flow Statements.

(d) The Borrower shall not make any payment on account of outstanding notes or convertible debentures without the prior written consent of the Lender.

(e) The Borrower shall not encumber or dispose of any of its assets without the prior written consent of the Lender, other than in connection with encumbrances arising at law or as otherwise permitted pursuant to the DIP Order.

(f) The Borrower shall not amalgamate, consolidate with or merge into or sell all or substantially all of their assets to another entity, or change the nature of its business other than with the prior written consent of the Lender, or except as authorized by the Court in performance of a Proposal made and approved under the BIA.

(g) The Borrower shall not declare, pay, or set aside, any dividend of any nature whatsoever.

SECURITY: The Borrower grants, and shall grant, the following security to the Lender:

(a) the DIP Charge as set forth in the DIP Order, including:

(i) a grant and assignment, conveyance, mortgage, pledge and charge, by way of a fixed and specific mortgage, charge and pledge, in all of the Borrower'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 Borrower's present and after-acquired right, title, estate and interest in and to all proceeds derived from any of the foregoing; and

(ii) a floating charge to all of the Borrower's right, title, interest and estate in and to all real property (including without limitation all Oil Sands and other hydrocarbons), 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 Borrower 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

(iii) a grant, assignment as security, conveyance, transfer, mortgage and charge as and by way of a fixed and specific mortgage and charge to and a continuing security interest in, all of the Borrower'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 wherever located; and

(b) in implementation of the DIP Charge, but without in any way limiting the validity and effectiveness thereof, one or more of a general security agreement, share pledge, fixed and floating charge debenture, hypothec or equivalent, in all jurisdictions where the assets of the Borrower may be situate from time to time.

The following terms shall have the following meanings in this DIP Term Sheet:

"Oil Sands Leases" shall mean those leases described on Schedule A hereto, as such leases may be amended, modified, supplemented or restated from time to time, together with all other instruments that may be issued pursuant thereto or in connection therewith from time to time;

"Specifically Mortgaged Lands" shall mean the lands described on Schedule A hereto, together with any and all lands which may now or hereafter be pooled, unitized, grouped or otherwise combined for production or other purposes therewith, and including all Oil Sands and other hydrocarbons within, upon or under such lands.

"Oil Sands" shall mean sands and other rock materials containing crude bitumen; the crude bitumen contained in those sands and other rock materials; and any other hydrocarbon or mineral substances, other than natural gas, in association with that crude bitumen or those sands and other rock materials referred to in this definition.

"Product" shall mean any products obtained pursuant to the Oil Sands Leases by processing Oil Sands, crude bitumen or derivatives of crude bitumen; or by reprocessing a product referred to in this definition.

EVENTS OF DEFAULT:

Each of the following shall constitute an event of default hereunder (each, an "**Event of Default**"):

(a) any assignment or deemed assignment of the Borrower into bankruptcy;

(b) any general termination of the stay of creditor proceedings against the Borrower pursuant to the BIA and the DIP Order or any other lifting of the stay to permit acts to be taken against the property of the Borrower, including, without limitation, the appointment of a receiver or the making of a receiving order against the Borrower;

(c) failure by the Borrower to pay the Principal Amount outstanding hereunder when the same shall become due and payable;

(d) failure by the Borrower to pay any interest on the DIP Facility or any fees payable hereunder when the same shall become due and payable ;

(e) failure by the Borrower to perform or comply with any term, condition, covenant or obligation contained herein or in any document issued pursuant hereto on their part to be performed or complied with where any such failure to perform or comply is not remedied within five (5) days of notice from the Lender to so remedy;

(f) any order of the Court shall be issued amending, reversing, supplementing, staying, vacating or otherwise modifying the DIP Charge, DIP Facility Security or the loan and security document relating to the DIP Facility issued pursuant hereto, or granting any other claim or lien equal to or superior to that granted the Lender in respect of the DIP Facility, except with the prior written consent of Lender;

(g) any material deviation from the Cash-Flow Statements (and provided that for purposes of this provision, any change or deviation in the Cash-Flow Statement that is 10% or greater than that presented to the Lender will be consider "material");

(h) failure by the Borrower to file with the Proposal Trustee a Proposal on or before April 21, 2015;

(i) failure by the Borrower to receive the required approval of all classes of creditors to a Proposal by May 13, 2015; or

(j) failure by the Trustee to apply to the Court for approval of a Proposal within five (5) business days following its approval by all classes of creditors.

REMEDIES: Following the occurrence of an Event of Default, without limiting the remedies available hereunder, the Lender may:

(a) on demand, accelerate all payments due by the Borrower under this DIP Facility; and

(b) apply to a Court of competent jurisdiction (i) for the appointment of an interim receiver or a receiver and manager of the undertaking, property and assets of the Borrower, (ii) for the appointment of a trustee in bankruptcy of the Borrower other than in circumstances where Section 57 of the BIA applies, or (iii) to seek other relief; and

(c) with the leave of the Court, exercise any remedies provided under the promissory note and security relating to the DIP Facility; and

(d) without limiting the foregoing, the Lender shall have the power and rights of a secured party under section 17 and Part V of the *Personal Property Security Act* (Alberta).

EXPENSES: All reasonable out-of-pocket expenses and costs, including, without limitation, all reasonable travel expenses and reasonable legal fees, incurred by the Lender and one firm of legal counsel appointed by the Lender, in connection with any matter arising hereunder, under any documents issued in connection with this DIP Term Sheet or in connection with the BIA Proceedings contemplated or otherwise in connection with the DIP Facility shall be for the sole account of the Borrower and shall be paid within five (5) days of being invoiced.

GOVERNING LAW: This DIP Term Sheet and each of the documents contemplated herein shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein, except to the extent that the Lender otherwise determines is necessary to validly protect the DIP Charge.

CURRENCY: All dollar amounts referred to in this DIP Term Sheet are in United States Dollars unless otherwise indicated.

COUNTERPARTS AND FACSIMILE SIGNATURES: This DIP Term Sheet may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures provided by facsimile machine shall be valid and binding.

SCHEDULE "A" TO DIP TERM SHEET

Oil Sands Leases

Legal Description	Agreement Number	Commencement Date	Ownership Interest Of Borrower
4-09-090 22E,L3, L6, L11, L14;23-28;33-36	0747401100010	2001/10/04	100%
4-09-090 9	0747405110606	2005/11/17	100%

ACCEPTANCE

The foregoing DIP Term Sheet is hereby accepted and agreed to this 27th day of February, 2015.

IVANHOE ENERGY INC., as Borrower

By: ______________________

Name: Carlos Cabrera

Title: Executive Chairman

I have authority to bind the Corporation

By: ______________________

Name: Robert Martin Friedland, as Lender

EXHIBIT C

Management of Company

This is **Exhibit C** referred to in the affidavit of Blair Vago sworn before me at Northbrook, Illinois on 27 Feb 2015

W. E. Parry

William E. Parry
Lawyer

Ivanhoe Energy

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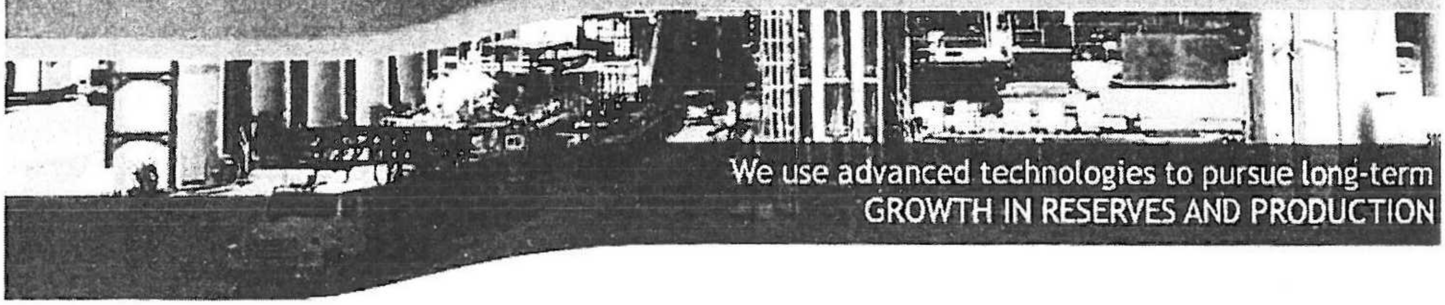
About Us Operations HTL Process Investors News Room Responsibility



bout Us

- Overview
- Corporate Structure
- Board of Directors
- Management
- Industry Leadership

Management

Carlos A. Cabrera
Executive Chairman

William E. Parry
Senior Vice President & General Counsel

[illegible]
Acting Vice President Finance & Chief Financial Officer

Carlos A. Cabrera
Executive Chairman

Carlos A. Cabrera is the Executive Chairman of Ivanhoe Energy. Prior to his appointment, he served as the founding President and CEO of the National Institute of Low Carbon and Clean Energy (NICE) based in Beijing, China. Mr. Cabrera is a Distinguished Associate to the World Energy Consultancy Firm FACTS. He also serves on the Board of Directors of GEVO, a publicly traded biotechnology company, and the Gas Technology Institute, a U.S.-based leading research, development and training organization serving energy and environmental markets. He is an advisor to the National Oil Company of Azerbaijan, SOCAR, an Executive Board member of Big West Oil, a privately-owned U.S. firm, and a member of the Global Advisory Board of the University of the Chicago Booth School of Business. As a former 35-year employee with UOP-a leading international supplier to the petroleum refining, petrochemical and gas processing industries-Mr. Cabrera held posts as the President/CEO and then Chairman. Granted nine patents by the U.S. Patent Office, he has authored numerous publications and served on several industry panels-including the Board of Directors of NPRA and the NPRA Petrochemical Committee-as a worldwide business and technical leader. He received an honorary membership to the Instrument Society of America, was inducted to the University of Kentucky Engineering Hall Of Distinction, awarded the 2007 Fuels and Petrochemicals Division Leadership Award by the American Institute of Chemical Engineers, honored with the Honeywell Corporation 2008 Senior Leadership Award, and named to the Hispanic Business Magazine's Corporate Elite in 2009. Mr. Cabrera earned a Bachelor of Science degree in Chemical Engineering from the University of Kentucky and a Master's degree in Business Administration from the University of Chicago.

William E. Parry
Senior Vice President & General Counsel

Bill Parry joined Ivanhoe Energy as Senior Vice President and General Counsel in April 2013 and is responsible for all legal activities for the company. He brings a wealth of experience having managed the legal affairs of several chemical and energy companies in North America and internationally. Specifically, Mr. Parry has extensive commercial legal experience with acquisitions and divestitures, technology transfer, and managing patent programs, as well as experience leading a law department. He was Vice President and

General Counsel at Nalco Chemical Company, Assistant General Counsel at UOP, and has business experience as Director of Business Development and Planning for UOP's catalyst and adsorbent business and as President of Nalco Industrial Outsourcing. Bill also acted as a legal consultant for the National Institute for Clean and Low Carbon Energy in Beijing. Mr. Parry received a chemical engineering degree from the University of Notre Dame and a J.D. from Duquesne University's School of Law. He is licensed to practise law in Illinois, Pennsylvania and before the U.S. Patent and Trademark Office.

Blair Vago
Acting Vice President Finance & Chief Financial Officer

Blair Vago is a licensed Certified Public Accountant (California) with more than 30 years of experience in finance and accounting. He also has extensive experience in cross-border transactions, merger integration and doing business in Latin America. He has a strong technical understanding of International Financial Reporting Standards (IFRS), U.S. Generally Accepted Accounting Principles (GAAP) and Canadian GAAP. Mr. Vago's fluency in English and Spanish, and his first-hand experience working with Ivanhoe Energy in Ecuador for the past four years will be very important assets as the company works to deliver its plan and build value for all of Ivanhoe's stakeholders. Mr. Vago has a Masters of Professional Studies (concentration in accounting, finance and hotel management) from Cornell University, Ithaca, NY, and a Bachelor of Arts from State University of New York, Binghamton, NY.