COURT FILE NUMBER	25-1963517
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	IVANHOE ENERGY INC.
DOCUMENT	**FIRST REPORT OF THE PROPOSAL TRUSTEE**
	MARCH 3, 2015

BANKRUPTCY AND INSOLVENCY
FAILLITE ET INSOLVABILITE
FILED
MAR 03 2015
JUDICIAL CENTRE
OF CALGARY

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

PROPOSAL TRUSTEE

Ernst & Young Inc.
1000, 440 - 2nd Avenue SW
Calgary, Alberta T2P 5E9
Attention: Neil Narfason / Neil Honess
Telephone: (403) 206-5067 / (403) 206-5003
Fax: (403) 290-4265
Email: Neil.Narfason@ca.ey.com
Neil.Honess@ca.ey.com

COUNSEL

Gowlings LLP
421 7 Avenue SW Suite 1600
Calgary, AB T2P 4K9
Attention: Tom Cummings/Jeff Oliver
Telephone: (403) 298-1938-7097 / (403) 298-1818
Facsimile: (403) 263-9193
Email: Tom.Cummings@gowlings.com
Jeffrey.Oliver@gowlings.com

TABLE OF CONTENTS TO THE FIRST REPORT OF THE TRUSTEE

LISTING OF APPENDICES TO THE FIRST REPORT OF THE TRUSTEE

INTRODUCTION

1. On February 20, 2015 (the "Filing Date"), Ivanhoe Energy Inc. ("Ivanhoe" or the "Company") sought and obtained protection from their creditors through the filing of a Notice of Intention to Make a Proposal under Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "NOI"). Ernst & Young Inc. (the "Trustee") was named as Trustee under the NOI.

2. The purpose of this First Report of the Trustee under the Notice of Intention to Make a Proposal (the "First Report") is to provide this Honourable Court with an update in respect of the following:

   a) Background information and a brief overview of Ivanhoe;

   b) The activities of the Trustee following the filing of the NOI;

   c) Comments on the proposed Administration and Directors' and Officers' Charges (as defined herein);

   d) The Trustee's comments with respect to Ivanhoe's proposed interim financing of US$1.0 million (the "Interim Financing");

   e) The Trustee's comments with respect to the proposed process for ascertaining creditor claims (the "Claims Process");

   f) The Trustee's comments with respect to Ivanhoe's application for an extension of time for filing its proposal to May 5, 2015 (the "Extension"); and

   g) The Trustee's recommendations.

3. All references to dollars are in US currency unless otherwise noted.

TERMS OF REFERENCE

4. In developing this First Report, the Trustee has relied upon unaudited financial information previously prepared by Ivanhoe's management, Ivanhoe's books and records and discussions with its former management. The Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Trustee expresses no opinion or other form of assurance in respect of the information. Future orientated financial information relied upon in this report is based on assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.

BACKGROUND

5. Ivanhoe is an independent oil and gas company. The Company's principal assets include an in-situ oil sands property for development in the Western Canadian Sedimentary Basin ("Tamarack") and intellectual property in respect of technology related to the development and production of heavy to light oil partial upgrading technology ("HTL"). The Company, along with its subsidiaries, principally operates in Canada and the United States but has no active ongoing operations.

6. The Tamarack property was acquired from Talisman Energy in 2008 and Ivanhoe now owns a 100% working interest in the 6,880-acres of oil sands leases. Ivanhoe's original plan was to develop the resources at Tamarack utilizing a steam assisted gravity drainage ("SAGD") recovery method.

7. Ivanhoe's external reserve engineer, GLJ Petroleum Consultants ("GLJ"), has prepared a reserve and resource evaluation report as at December 31, 2013, indicating that there are 171.8 million barrels of "Probable" bitumen reserves, plus 340.5 million barrels of best estimate "Contingent" bitumen resources based on the exploration activity completed to date.

8. HTL technology is Ivanhoe's proprietary patented partial upgrading process used to convert heavy oil into lighter oil products. In addition to the lighter oil products, the process produces coke and gas by-products that are converted into steam or power.

9. Since acquiring the HTL technology, Ivanhoe has worked to promote the technology to heavy oil producers around the world with the aim of constructing and operating an HTL facility to support a heavy oil development.

10. Ivanhoe was unable to develop the Tamarack project due to capital and regulator constraints nor bring its HTL technology to a commercially viable stage.

11. Ivanhoe was previously undertaking the appraisal and development of Block 20, named the Pungarayacu Project, in Ecuador. The Pungarayacu oil field is approximately 250 square-miles and Ivanhoe operated the Pungarayacu Project under a 30-year contract, signed with Petroecuador and Petroproduccion in October 2008. The contract is extendable for up to 10 years and gives Ivanhoe Energy Ecuador the exclusive right to explore, develop and produce oil in Block 20.

12. Under the terms of the contract Ivanhoe Energy Ecuador would receive from Petroproduccion a payment of US$37.00 per barrel of oil produced and delivered to Petroproduccion.

13. Ivanhoe terminated the contract with Petroecuador and Petroproduccion in February, 2015 and is currently in the process of registering the record of the termination in the official Hydrocarbon Registry. The termination was conditional on receiving audits from the Ministry of the Environment and Ivanhoe has engaged environmental contractors to undertake this work.

14. The magnitude of the capital required to move forward on the Ecuador project, and the nature of the project and investment climate in Ecuador made it difficult for the Company to advance this development. As a result, the Company was forced to terminate the Ecuador project.

15. Accordingly, Ivanhoe was faced with no ability to generate cash in the near term.

ACTIVITIES OF THE TRUSTEE

16. The Trustee has undertaken the following since filing the Company's NOI:

    a) Assisted the Company in finalizing its cash flow for the period to May 31, 2015;

    b) Liaised with Ivanhoe, its secured creditor and counsel to negotiate the terms of the proposed Interim Financing; and

    c) Liaised with creditors.

17. To date, the Trustee has obtained the full cooperation and assistance of Ivanhoe board and management.

Mailing of Statutory Notifications

18. The Trustee has completed the mailing of the notification to creditors of the filing of the Notice of Intention (the "Creditor NOI Notification") as required under section 50.4(6) of the *Bankruptcy and Insolvency Act*, as amended (the "BIA"). A copy of the Creditor NOI Notification is attached as Appendix "A".

Statutory Cash Flow Statements

19. Ivanhoe, with the assistance of the Trustee, filed the statutory cash flow statements (the "Cash Flow Statement") as required under section 50.4 (2)(c) of the BIA. In addition, the Trustee filed the Trustee's Report on the Cash Flow Statement as required under section 50.4 (2)(b) of the BIA.

20. The Cash Flow Statement covers the period from the Filing Date to May 31, 2015 (the "Forecast Period").

21. Copies of Ivanhoe's Cash Flow Statement, the Company's Report on the Cash Flow and the Trustee's Report on the Cash Flow Statement are attached at Appendix "B".

22. Ivanhoe's Cash Flow Statement includes the Interim Financing which is further discussed below.

INTERIM FINANCING

Overview

23. Ivanhoe has limited cash resources available to it consisting only of funds on hand as at February 20, 2015 of approximately $118,000. It has no operations and no other means of generating cash.

24. In order to maintain the assets and retain key staff to formulate and implement a proposal, interim financing is required.

25. Ivanhoe's secured creditor, Robert Martin Friedland ("RMF") is owed approximately $5.11 million per the books and records of the Company. RMF has agreed to provide the Interim Financing to Ivanhoe pursuant to an Interim Financing Order as a first charge priority to pay ongoing costs as a proposal is formulated.

26. An executed Interim Financing Agreement is attached as Appendix "C". Its terms are summarized below:

    a) $1,000,000 to be advanced immediately upon granting of the Interim Financing Order;

    b) Interest of 13% annually;

    c) Fee of 2% of the principal amount ($20,000) earned upon issuance of the Interim Financing Order; and

    d) Interim Financing to be repaid in full on June 1, 2015.

27. The Trustee has reviewed the details of the Interim Financing, and believes that it is reasonable and appropriate because:

    a) The Interim Financing will allow Ivanhoe to maintain its assets and retain key staff and thereby give the best prospect of formulating and implementing a proposal that will provide for a better outcome than in bankruptcy;

    b) The terms are reasonable and consistent with interim financing in other insolvency proceedings; and

    c) If the Interim Financing is not advanced, the Company will be faced with no prospect of concluding a successful restructuring and the Company would be liquidated.

28. The Trustee has not yet reviewed the existing security of RMF.

ADMINISTRATION CHARGE

29. Ivanhoe has made application for a charge to a maximum aggregate of $500,000 over all the assets of Ivanhoe as security for professional fees and disbursements (the "Administration Charge").

30. An Administration Charge is a usual mechanism to protect the fees and costs of the professionals involved in the administration of the Proposal. The Trustee believes the quantum of the Administration Charge is, based on estimates of costs, satisfactory.

31. The Administration Charge is subordinated to the Interim Financing as the Interim Financing is sufficient to allow all forecasted fees to be paid.

DIRECTORS' AND OFFICERS' CHARGE

32. Ivanhoe has made application for a charge to a maximum aggregate of $200,000 over all the assets of Ivanhoe as security for an indemnity provided to Ivanhoe's directors and officers against obligations and liabilities that they may incur after commencement of the proposal proceedings (the "Directors' and Officers' Charge").

33. The quantum is the approximate maximum liability during the period of the cash flow and ranks subordinate to the Interim Financing and the Administration Charge.

CLAIMS PROCESS

Overview

34. Ivanhoe is requesting that this Honourable Court approve the Claims Process as outlined in the affidavit of Blair Vago dated February 27, 2015 (the "Vago Affidavit") and the draft form of order attached to the Notice of Motion filed on March 3, 2015 (the "Proposed Claims Process Order"). These documents are attached as Appendices "D" and "E" respectively.

35. The Claims Process should commence now rather than at the time of the meeting to consider the Company's Proposal to allow creditor claims to be ascertained, disputes resolved and the views of creditors discussed prior to completion of drafting the proposal.

36. The Proposed Claims Process Order will establish the amount of claims against the Company as at the Filing Date (the "Claims").

37. The Applicants propose that any creditor asserting a Claim be required to file a proof of claim (the "Proof of Claim") with the Trustee prior to 5:00 p.m. (Mountain Time) on April 10, 2015 in order to qualify to vote on the Company's Proposal (the "Voting Claims Bar Date").

38. The Trustee has reviewed the details of the Proposed Claims Process Order, and believes that it is reasonable and appropriate in that it includes:

    a) The establishment of the Voting Claims Bar Date;

    b) The contents of the Instruction Letter, Proof of Claim, Notice of Determination or Disallowance and Notice of Dispute documents (all as defined in the Proposed Claims Process Order) (together, the "Proof of Claim Document Package") and the timing of mailing of the package; and

c) The timing and placement of the publishing of the newspaper notice of the Claims Process.

Trustee's comments with the proposed Claims Process

39. The Trustee has reviewed and agrees with the Claims Process as outlined in the Proposed Claims Process Order. In the Trustee's view, the identification of creditors, the mailing of the Proof of Claim Document Package and the proposed newspaper advertisements described above will provide potential creditors with sufficient and timely notification to allow them to submit their Proofs of Claim prior to the Voting Claims Bar Date. The Trustee believes that the period of time for a creditor to file a Notice of Dispute (as defined in the Proposed Claims Process Order) is reasonable as most creditors will have completed an evaluation of their Claim prior to submitting a Proof of Claim and therefore should be in position to respond within 5 days after the date of the Notice of Determination or Disallowance (as defined in the Proposed Claims Process Order).

APPLICATION TO EXTEND THE TIME TO PREPARE A PROPOSAL

40. Ivanhoe has made application to extend the date for filing of its Proposal to May 5, 2015 (the "Extension").

41. Trustee believes that Ivanhoe is acting in good faith and with due diligence and that the Extension will allow the Company to put forward a viable proposal to its creditors.

42. Furthermore, the Trustee does not believe that any creditor will be materially prejudiced if the Extension is granted.

RECOMMENDATIONS

43. The Trustee recommends this Honourable Court approve the:

    a) Interim Financing;

    b) Proposed Claims Process Order; and

    c) Extension.

All of which is respectfully submitted this 3rd day of March, 2015.

ERNST & YOUNG INC.
in its capacity as Trustee under the
Notice of Intention to Make a Proposal of
Ivanhoe Energy Inc.

Neil Narfason, CA,CIRP, CBV
Senior Vice-President

Appendix "A"

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

FORM 33

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

TAKE NOTICE THAT:

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

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

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

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

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

IVANHOE ENERGY INC.

Per: CA Cabrera
Carlos Cabrera, Executive Chairman

To be completed by the official receiver:

Filing Date:____________

____
Official Receiver

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

TO: **IVANHOE ENERGY INC.**

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

Dated this 20th day of February, 2015

ERNST & YOUNG INC.

Per: ______________________________
Neil Narfason
Senior Vice-President

Creditor Name	Contact Name	Address	City	Province	Postal Code	Country	Claim Type	Claim Amount
The Bank of New York Mellon	Global Corporate Trust	6525 West Campus Oval, Suite 200	New Albany	OH	43054	USA	Unsecured	$ 94,295,240.00
Robert Martin Friedland	c/o Stikeman Elliott LLP	5300, 199 Bay Street	Toronto	ON	M5L 1B9	Canada	Secured	$ 6,378,060.00
Goodmans VAN		355 Burrard St, Suite 1800	Vancouver	BC	V6C 2G8	Canada	Unsecured	$ 240,754.84
Pillsbury, Winthrop, Shaw, Pittman LLP		1540 Broadway	New York	NY	10036-4039	USA	Unsecured	$ 200,588.52
BMO Nesbitt		100 King St West, 6th Floor	Toronto	ON	M5X 1H3	Canada	Unsecured	$ 158,405.44
Goodmans TO		333 bay Street Suite 3400	Toronto	ON	M5H 2S7	Canada	Unsecured	$ 147,554.08
AMEC Group Ltd. (GBP converted to USD)		60 London Wall, 6th Floor	London	UK	EC2M 5TQ	United Kingdom	Unsecured	$ 139,250.00
Deloitte LLP	Attn: Francesca Filippelli	30 Wellington Street West, P.O. Box 400, Stn Commi	Toronto	ON	M5L 1B1	Canada	Unsecured	$ 136,202.24
Carlos Cabrera		556 Alice Drive	Northbrook	IL	60062	USA	Preferred	$ 114,283.00
William Parry		225 W Ayres Street	Hinsdale	IL	60521	USA	Preferred	$ 91,135.00
GMM		654 - 999 Canada Place	Vancouver	BC	V6C 3E1	Canada	Unsecured	$ 87,154.48
IHS Global		15 Inverness Way East	Englewood	CO	80112	USA	Unsecured	$ 76,234.02
Orrick, Herrington & Sutcliffe LLP		51 West 52nd Street	New York	NY	10019-6142	USA	Unsecured	$ 68,803.06
CPA Global		2318 Mill Road 12th Fl	Alexandria	VA	22314	USA	Unsecured	$ 67,889.64
Blair Vago		1196 Mallard Marsh Drive	Osprey	FL	34229	USA	Preferred	$ 65,704.00
Alberta Government		9915 - 108 St	Edmonton	AB	T5K 2G8	Canada	Unsecured	$ 64,881.96
Ernst & Young LLP		PO Box 57104 Postal Station A	Toronto	ON	M5W 5M5	Canada	Unsecured	$ 61,875.40
Mike Silverman		1327 Ashland, Houston TX 77008	Houston	TX	77008	USA	Preferred	$ 55,524.00
Nasdaq Stockmarket LLC - Nasdaq Office of General Counsel		805 King Farm Blvd	Rockville	MD	20850	USA	Unsecured	$ 55,000.00
Joe Kuhach		3608 2 Street SW	Calgary	AB	T2S 1T8	Canada	Preferred	$ 53,300.00
Fort Mcmurray 468 First Nations		PO Box 6130 Stn Main	Ft McMurray	AB	T9H 4W1	Canada	Unsecured	$ 52,500.00
Mikisew Cree First Nations		206 - 9401 Franklin Ave	Fort McMurray	AB	T9H 3Z7	Canada	Unsecured	$ 50,627.90
Wager, Theodore		3 Dauphine Court	Oakwood Hills	IL	60013	USA	Unsecured	$ 43,750.00
Brookfield Heritage LLC		PO Box 301081	Dallas	TX	75303-1081	USA	Unsecured	$ 39,102.68
Southwest Research Institute		6220 Culebra Road, Accounts Receivable Bldg 160	San Antonio	TX	78238-5166	USA	Unsecured	$ 38,726.56
CST Trust Co.		320 Bay St.	Toronto	ON	M5H 4A6	Canada	Unsecured	$ 37,352.66
Regus		PO Box 842456	Dallas	TX	75284-2456	USA	Preferred	$ 36,712.00
Gowlings Lafleur Henderson LLP		PO Box 466 Stn D	Ottawa	ON	K1P 1C3	Canada	Unsecured	$ 34,683.99
Marlene Duff		Box 52	Millarville	AB	T0L 1K0	Canada	Preferred	$ 34,062.00
Paul Weiss, Rifkind, Wharton & Garrison LLP		1285 Avenue of the Americas	New York	NY	10019-6064	USA	Unsecured	$ 33,153.76
Kings Bay Holdings		301 Kings Bay South	Lethbridge	AB	T1K 5G2	Canada	Unsecured	$ 31,605.00
CNW		Water Park Place 20 Bay St, STE 1500	Toronto	ON	M5J 2N8	Canada	Unsecured	$ 30,917.81
American Express Business Travel Account		PO Box 981535	El Paso	TX	79998-1535	USA	Unsecured	$ 30,655.43
Dell Canada Inc.		155 Gordon Baker Rd Ste 501	North York	ON	M2H 3N5	Canada	Unsecured	$ 30,400.02
Thornton, Randolph		885 Rainbow Lane	Indian River Shores	FL	32963	USA	Unsecured	$ 25,000.00
The Tax Group		1021 - 1st Avenue NE	Calgary	AB	T2E 9C6	Canada	Unsecured	$ 22,591.80
Infor Canada		PO Box 4275 Postal Stn A	Toronto	ON	M5W 5V8	Canada	Unsecured	$ 22,569.79
Broadridge		PO Box 57461 Stn A	Toronto	ON	M5W 5M5	Canada	Unsecured	$ 20,145.18
MNP LLP		1500 - 640 5th Ave SW	Calgary	AB	T2P 3G4	Canada	Unsecured	$ 20,141.76
Metis Nation of Alberta / Ft McMurray Local 1935		441 Sakitaway Trail	Fort McMurray	AB	T9H 4P3	Canada	Unsecured	$ 20,000.00
Ed Velth		PO Box 6161	Pine Mountain Club	CA	93222	USA	Preferred	$ 19,500.00
Phoenix Heli-Flight		RR #1 Site #1 Comp #6	Fort McMurray	AB	T9H 5B4	Canada	Unsecured	$ 18,684.04
GLJ Petroleum Consultants		4100 - 400 3rd St SW	Calgary	AB	T2P 4H2	Canada	Unsecured	$ 16,097.36
Kuhach, Joe		3608 - 2 Street SW	Calgary	AB	T2S 1T8	Canada	Unsecured	$ 15,848.44
Baker Botts		PO Box 301251	Dallas	TX	75303-1251	USA	Unsecured	$ 15,683.55
Lavery, de Billy LLP		1 Place Ville Marie, Ste 4000	Montreal	QC	H3B 4M4	Canada	Unsecured	$ 12,502.41
AMEC Environmental	Attn: Jocelyn Rocheleau	600 4445 Lougheed Hwy	Burnaby	BC	V5C 0E4	Canada	Unsecured	$ 12,482.78
Layer2		305 Wells Fargo Drive Ste A9	Houston	TX	77090	USA	Unsecured	$ 12,039.74
1092155 Ontario		91 Vesta Street	Nepean	ON	K2J 3Z2	Canada	Unsecured	$ 12,000.00
Highland Ridge Capital		8400-233 Southwacker Drive	Chicago	IL	60602	USA	Unsecured	$ 12,000.00
Vertex Professional Services		4240 Blackfoot Trail SE	Calgary	AB	T2G 4E6	Canada	Unsecured	$ 11,158.04
IMC Int'l Mgmt		LG Smith Blv 62, Miramar Building Ste 304	Oranjestad			Aruba	Unsecured	$ 10,671.00
Control Solutions International		607 North Ave Suite 15-2	Wakefield	MA	01880	USA	Unsecured	$ 10,500.00
Chicago Council on Global Affairs		332 South Michigan Ave Ste 1100	Chicago	IL	60604	USA	Unsecured	$ 10,000.00

Murdoch, John	32 Panorama Hills Green NW	Calgary	AB	T3K 4N4	Canada	Unsecured	$	9,712.50
Guidance Software	1055 E. Colorado Blvd	Pasadena	CA	91106-2375	USA	Unsecured	$	8,631.75
Computershare	Dept CH 19228	Palatine	IL	60055-9228	USA	Unsecured	$	8,273.22
Pitney Bowes	PO Box 278	Orangeville	ON	L9W 2Z7	Canada	Unsecured	$	8,068.54
Fu, Jeffrey	603, Lizexiyuan Residence, Chaoyang District	Beijing			China	Unsecured	$	8,050.00
Deloitte	The Goddard Building, Haggatt Hall	St. Michael		BB 11059	Barbados	Unsecured	$	7,875.00
1566896 Alberta Ltd	1200 - 1067 W Cordova	Vancouver	BC	V6C 1C7	Canada	Unsecured	$	7,084.69
Codan Services Ltd.	Clarendon House 2 Church St	Hamilton		HM 11	Bermuda	Unsecured	$	6,466.75
Norton Rose Fulbright Canada LLP	400 - 3rd Ave SW St 3700	Calgary	AB	T2P 4H2	Canada	Unsecured	$	5,778.68
1747293 Alberta Ltd	408-220 11th Ave SW	Calgary	AB	T2G 0X8	Canada	Unsecured	$	5,370.75
Iron Mountain	195 Summerlea Road	Brampton	ON	L6T 4P6	Canada	Unsecured	$	5,362.76
Central Parking	PO Box 790402	St. Louis	MO	63719	USA	Unsecured	$	5,056.20
Shaw Business	2400 - 32 Avenue NE	Calgary	AB	T2E 9A7	Canada	Unsecured	$	5,054.82
Jim Pelham	5138 Verdant Way	Houston	TX	77069	USA		$	4,969.00
Dale Rycar	353 Nelson Rd	Carseland	AB	T0J 0M0	Canada	Preferred	$	4,950.40
Robert Half Management	PO Box 57349, File T57349C, Stn A	Toronto	ON	M5W 5M5	Canada	Unsecured	$	4,830.00
Allstream	PO Box 5300 Stn Main	Winnipeg	MB	R3C 0C1	Canada	Unsecured	$	4,650.49
Infineon Networks	204-3339 Rideau Place SW	Calgary	AB	T2S 1Z5	Canada	Unsecured	$	4,620.00
DGM Management Services Ltd.	2nd Floor Hastings Financial Ctr, Hastings	Christchurch		BB 26103	Barbados	Unsecured	$	4,590.00
AT&T Mobility	PO Box 1809	Paramus	NJ	07653-180	USA	Unsecured	$	4,578.58
Pitney Works	PO Box 280	Orangeville	ON	L9W 2Z7	Canada	Unsecured	$	4,555.42
Gerald Moench	301 Kings Bay S	Lethbridge	AB	T1K 5G2	Canada	Preferred	$	4,281.20
Webster, Gareth	332 Rundlefield Road NE	Calgary	AB	T1Y 2W1	Canada	Unsecured	$	4,213.65
Stockvantage	1500 - 800 - 6th Ave SW	Calgary	AB	T2P 3G3	Canada	Unsecured	$	4,158.00
Citrix Online LLC	7414 Hollister Ave	Goleta	CA	93117	USA	Unsecured	$	3,723.00
Norex	5505 Cottonwood Lane	Prior Lake	MN	55372	USA	Unsecured	$	3,524.85
Hou, Amanda	Rm 401 - Building 8, Street 1, Yongweixijiebeili, Xiche	Beijing		100050	China	Unsecured	$	3,450.00
1854225 Alberta Ltd	3411 Oakwood Dr SW	Calgary	AB	T2V 4V9	Canada	Unsecured	$	3,161.55
GMM	654 - 999 Canada Place	Vancouver	BC	V6C 3E1	Canada	Unsecured	$	3,098.23
Rogers Wireless Inc.	PO Box 8878 Stn Terminal	Vancouver	BC	V6B 0H6	Canada	Unsecured	$	3,060.03
Mike Sullivan / Tax Assessor-Collector	PO Box 3547	Houston	TX	77253-3547	USA	Unsecured	$	3,053.17
Landquest	130 - 3359 27th St NE	Calgary	AB	T1Y 5E4	Canada	Unsecured	$	3,016.40
KCS Corporate Services Pte Ltd	36 Robinson Road #17-01 City House			068877	Singapore	Unsecured	$	2,910.00
Jim Berridge	519 Whitehorn Way NE	Calgary	AB	T1Y 1Y2	Canada	Preferred	$	2,536.80
Navex Global	6000 Meadows Road, Suite 200	Lake Oswego	OR	97035	USA	Unsecured	$	2,455.00
Tan, Jacqueline	No 151 Cavenagh Road, #09-157 Cavenagh Court			229628	Singapore	Unsecured	$	2,296.00
Emerson Network Power, Hebert CDA	3580 Laird Rd Unit #1	Mississauga	ON	L5L 5Z7	Canada	Unsecured	$	2,205.07
Telus Communications	PO Box 7575	Vancouver	BC	V6B 8N9	Canada	Unsecured	$	2,182.53
ADNET	401-510 W. Hastings St.	Vancouver	BC	V6B 1L8	Canada	Unsecured	$	2,172.96
De Lage Laden Financial Services Canada Inc.	3450 Superior Court - Unit 1	Oakville	ON	L6L 0C4	Canada	Unsecured	$	2,085.57
Universal Patents and Trademarks	PO Box 20, CZ-61600 BMO	Czech Republic			Czech Republic	Unsecured	$	2,052.55
LP Office Services	50 Welshimer Cres NE	Langdon	AB	T0J 1X1	Canada	Unsecured	$	1,963.50
Softchoice LP	PO Box 57102 Postal Stn A	Toronto	ON	M5W 5M5	Canada	Unsecured	$	1,837.50
Deloitte & Touche	The Phonix Centre, George Street, Bridgetown	St. Michael		BB 11114	Barbados	Unsecured	$	1,800.00
Regus HQ Mgmt	PO Box 842456	Dallas	TX	75284-2456	USA	Unsecured	$	1,763.80
Cogent	PO Box 791087	Baltimore	MD	21279-1087	USA	Unsecured	$	1,623.75
RGO Office Products	100 - 229 33rd Street NE	Calgary	AB	T2A 4Y6	Canada	Unsecured	$	1,600.93
Orange Rook	2 Prairie Springs Bay SW	Airdrie	AB	T4B 0L9	Canada	Unsecured	$	1,575.00
Calgary Archives Corp	3223-10 Street SE	Calgary	AB	T2G 3E5	Canada	Unsecured	$	1,486.32
Ramirez, Marisol	12116 Lotus Vine Street	Bakersfield	CA	93311	USA	Unsecured	$	1,459.24
FEDEX CDA LTD.	PO Box 4626 Toronto Stn A	Toronto	ON	M5W 5B4	Canada	Unsecured	$	1,380.57
Schlumberger	200-125 9th Avenue SE	Calgary	AB	T2G 0P6	Canada	Unsecured	$	1,338.75
Morneau Shepell	700 - 895 Don Mills Rd	Toronto	ON	M3C 1W3	Canada	Unsecured	$	1,298.25
GE Capital	PO Box 650016	Dallas	TX	75265-0016	USA	Unsecured	$	1,243.98
Mary Vincelli	4044 Lions Avenue	North Vancouver	BC	V7R 3S3	Canada	Preferred	$	947.80

Legarreta Y Asociados Av Picacho Ajusco	No. 130-503, Jardines En La Montana	Mexico City		14210	Mexico	Unsecured	$	932.80
SHI	400-895 Don Mills Rd	Toronto	ON	M3C 1W3	Canada	Unsecured	$	885.55
Leaf	PO Box 644006	Cincinnati	OH	45264-4006	USA	Unsecured	$	795.43
Solarwinds	PO Box 730720	Dallas	TX	75373-0720	USA	Unsecured	$	790.00
Loren Siemens	26 Hidden Close NW, Calgary AB T3A 5P4	Calgary	AB	T3A 5P4	Canada	Preferred	$	709.80
Complete Cleaning	615 Wheat Lane	Wood Dale	IL	60191-1161	USA	Unsecured	$	651.99
Shaw Cable Systems	PO Box 2468 Stn Main	Calgary	AB	T2P 4Y2	Canada	Unsecured	$	632.52
FedEX-Houston	PO Box 660481	Dallas	TX	75266-0481	USA	Unsecured	$	616.06
AT&T	PO Box 105414	Atlanta	GA	30348-5414	USA	Unsecured	$	610.43
White Lion	30250 Little Harbor Drive	Canyon Lake	CA	92587	USA	Unsecured	$	530.56
Stericycle Communications	200 - 1032 17th Avenue SW	Calgary	AB	T2T 0A5	Canada	Unsecured	$	501.50
Express Applications	15723 Foxgate Road	Houston	TX	77079	USA	Unsecured	$	500.00
Lackowicz & Hoffman	300-204 Black St	Whitehorse	YT	Y1A 2M9	Canada	Unsecured	$	423.56
Scheifelbein, Jerry	Box 28, Site 18, RR1	Priddis	AB	T0L 1W0	Canada	Unsecured	$	360.54
Namequest	310 - 1212 31st Avenue NE	Calgary	AB	T2E 7S8	Canada	Unsecured	$	351.75
Kaiway, Gary	2216 Lawson Ave	West Vancouver	BC	V7V 2E4	Canada	Unsecured	$	350.00
Upstream AS	5151 San Felipe, Suite 1440	Houston	TX	77056	USA	Unsecured	$	342.72
BNY Mellon	320 Bay St, 11th Floor	Toronto	ON	M5H 4A6	Canada	Unsecured	$	315.00
Michael Silverman	1327 Ashland Street	Houston	TX	77008-4101	USA	Unsecured	$	240.16
Vodigo Ltd	1924 10 Avenue SW	Calgary	AB	T3C 0J8	Canada	Unsecured	$	231.00
Verizon Wireless	PO Box 4005	Acworth	GA	30101-9006	USA	Unsecured	$	223.91
Broadridge	PO Box 57461 Stn A	Toronto	ON	M5W 5M5	Canada	Unsecured	$	210.46
McCormick, Barstow	PO Box 28912	Fresno	CA	93729-8912	USA	Unsecured	$	210.00
Shred-it International ULC / DBA Shred-it Calgary	1034 72nd Avenue NE	Calgary	AB	T2E 8V9	Canada	Unsecured	$	186.63
Alberta Government	1000-250 5th St SW	Calgary	AB	T2P 0R4	Canada	Unsecured	$	174.65
Ambius JC Ehrlich Co Inc.	1125 Berkshire Blvd Ste 150	Wyomissing	PA	19610	USA	Unsecured	$	164.30
Office Depot Inc	PO Box 630813	Cincinnati	OH	45263-0813	USA	Unsecured	$	142.90
Ricoh USA Inc	PO Box 660342	Dallas	TX	75266-0342	USA	Unsecured	$	140.72
Ivanhoe Capital PTE LTD	150 Beach Road #25 - 03 The Gateway West			189720	Singapore	Unsecured	$	120.14
Sentry Security	339 Egidi Drive	Wheeling	IL	60090	USA	Unsecured	$	119.85
Vision Service Plan	PO Box 45210	San Francisco	CA	94145-5210	USA	Unsecured	$	97.83
Mission Geospatial	3320 8th St SE	Calgary	AB	T2G 5S7	Canada	Unsecured	$	86.63
Pamela Thompson	12714 Pebble Creek Lane	Cypress	TX	77429	USA	Preferred	$	77.00
Josh Lexier	505-1410- 1st St SE	Calgary	AB	T2G 5T7	Canada	Preferred	$	72.80
Warehouse Direct	2001 S Mount Prospect Road	Des Plaines	IL	60018	USA	Unsecured	$	34.65
Jean Riddle	1278 Regent Drive	Mundelein	IL	60060	USA	Preferred	$	20.30
Bell Canada	5115 Creekbank Rd, Fl 2, Copy Rm 2A	Mississauga	ON	L4W 5R1	Canada	Unsecured	$	1.00
Talisman Energy Inc.	Suite 2000, 888 - 3rd Street S.W.	Calgary	AB	T2P 5C5	Canada	Secured	$	1.00
							$	103,624,047.02

Appendix "B"

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

-- FORM 29 --
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to File a Proposal of Ivanhoe Energy Inc.

The attached statement of projected cash flow of Ivanhoe Energy Inc., as of the 27th day of February 2015, consisting of a cash flow for the period to May 31, 2015, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: ☒ the management and employees of the insolvent person or ☐ the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by:
☒ management or ☐ the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the city of Calgary in the Province of Alberta, this 27th day of February 2015.

Ernst & Young Inc. - Trustee
Per:

Neil Narfason
Suite 1000, 440-2nd Avenue South West
Calgary AB T2P 5E9
Phone: (403) 206-5153 Fax: (403) 290-4265

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 — Date: 2/27/15

EY Inc.

Per: Neil Narfason — Date: 2/27/15

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
Court No.	25-1963517
Estate No.	25-1963517

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to File a Proposal of Ivanhoe Energy Inc.

The Management of Ivanhoe Energy Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 27th day of February 2015, consisting of a cash flow for the period to May 31, 2015.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the city of Chicago in the State of Illinois, this 27th day of February 2015.

Ivanhoe Energy Inc.
Debtor

BLAIR VAGO, ACTING CFO
Name and title of signing officer

Name and title of signing officer

Appendix "C"

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: CACabrera

Name: Carlos Cabrera

Title: Executive Chairman

I have authority to bind the Corporation

By: ______________________

Name: Robert Martin Friedland, as Lender

Appendix "D"

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. 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. | 2/27/15

Per: Blair Vago | 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

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

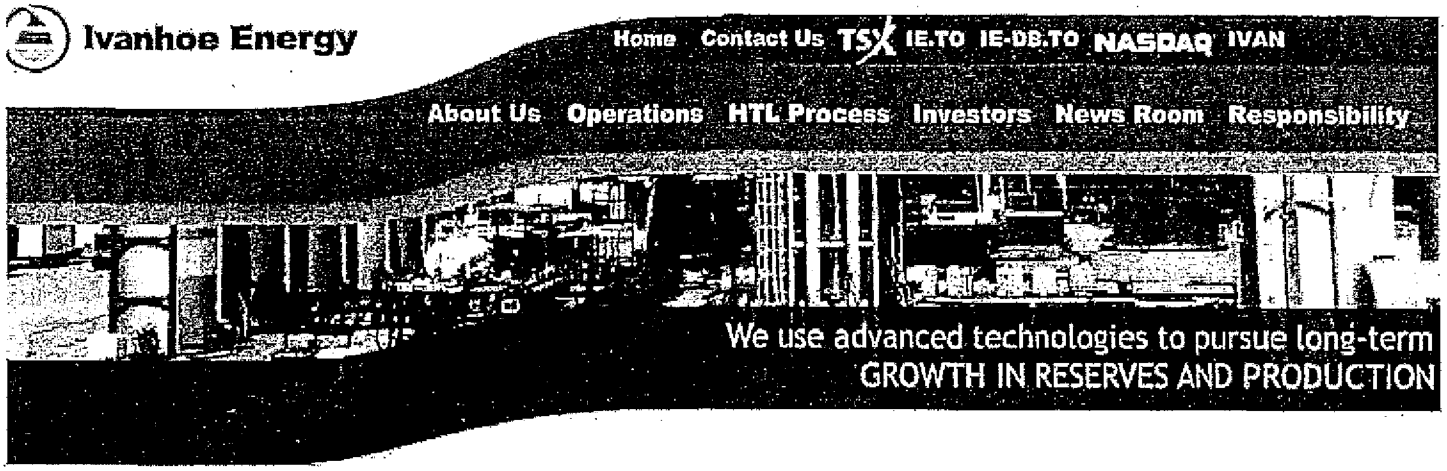
Management of Company

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



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

Blair Vago
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.

Appendix "E"

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

DATE ON WHICH ORDER WAS PRONOUNCED: **March 6, 2015**

NAME OF MASTER/JUDGE WHO MADE THIS ORDER: **Justice Jeffrey**

LOCATION OF HEARING OR TRIAL: **Calgary, Alberta**

UPON THE APPLICATION of Ivanhoe Energy Inc. ("Ivanhoe Energy") pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA"), coming on for hearing on March 6, 2015, at Calgary, Alberta, **AND UPON** hearing Steven D. Dvorak, counsel for Ivanhoe Energy, and ____________________________, counsel for Ernst & Young Inc;

AND UPON READING the first affidavit of Blair Vago, sworn February 27, 2015 (the "First Vago Affidavit"), the second affidavit of Blair Vago, sworn March 2, 2015, the First Report of Ernst & Young Inc. in its capacity as the Proposal Trustee (the "Proposal Trustee"), filed, **AND UPON** being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, **AND UPON** hearing the submissions of Ivanhoe Energy's Counsel and counsel for the Proposal Trustee, no one else appearing;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of this Application, the First Vago Affidavit, the Second Vago Affidavit and the First Report of the Proposal Trustee is hereby abridged and validated so that this Application is properly returnable today and further service thereof is hereby dispensed with.

APPROVAL OF CLAIMS PROCESS

2. All capitalized terms not otherwise defined in this Order shall have the meanings assigned to them in the Claims Process attached as Schedule "A" hereto (the "Claims Process").

3. The Claims Process is hereby approved, and the Proposal Trustee is hereby authorized and directed to implement the Claims Process.

4. The following forms, with any necessary non-substantive amendments, are hereby approved: Instruction Letter (Schedule "B"); Proof of Claim for Ivanhoe Energy (Schedule "C"); Notice of Determination or Disallowance (Schedule "D"); Notice of Dispute (Schedule "E"); and Newspaper Notice (Schedule "F").

CLAIMS BAR

5. Notwithstanding any provision of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA"), April 10, 2015 is hereby established as the Voting Claims Bar Date.

6. Any Creditor who fails to file a Proof of Claim in respect of a Claim, in accordance with this Order and the Claims Process, on or before the Voting Claims Bar Date, shall:

(a) be forever barred, estopped and enjoined from voting on the Proposal of either Applicant; and

(b) not be entitled to receive further notice in these proceedings, other than with respect to distribution, without leave of this Court.

CLAIMS OFFICER

7. The Proposal Trustee is authorized to determine the manner in which evidence may be brought before him as well as any other procedural matters which may arise in respect of the determination of any Claim.

NOTICE SUFFICIENT

8. The publication of the Newspaper Notice and the mailing to the Creditors of the Claims Package in accordance with the Claims Process and the requirements of this Order shall constitute good and sufficient service and notice of (i) this Order, and (ii) the Voting Claims Bar Date, on all Persons who may be entitled to receive notice and who may wish to assert Claims, and no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Order.

9. Compliance with this Claims Process Order and the Claims Process by the Proposal Trustee shall relieve the Proposal Trustee of its obligation to send proofs of claim to creditors prior to the meeting of creditors with respect to the Applicant's Proposal, as set out in s. 51(1)(e)(i) and (ii) of the BIA.

FILING OF PROOFS OF CLAIM

10. A Proof of Claim shall be deemed filed in a timely manner only if delivered by registered mail, personal delivery, courier, e-mail (in PDF format) or facsimile transmission so as to actually be received by the Proposal Trustee on or before the Voting Claims Bar Date.

NOTICE OF TRANSFEREES

11. If a Creditor or any subsequent holder of a Claim who has been acknowledged by the Applicant, with the consent of the Proposal Trustee, transfers or assigns that Claim to another Person, neither the Applicant nor the Proposal Trustee shall be required to give notice to or to otherwise deal with the transferee or assignee of the Claim as the holder of such Claim, unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been delivered to the Applicant and the Proposal Trustee. Thereafter, such transferee or assignee shall, for all purposes hereof, constitute the holder of such Claim and shall be bound by notices given and steps taken in respect of such Claim in accordance with the provisions of this Order.

12. If a Creditor or any subsequent holder of a Claim who has been acknowledged by the Applicant, with the consent of the Proposal Trustee, as the holder of the Claim transfers the whole of each such Claim to another Person or Persons such transfers or assignments shall not create separate Claims and such Claims shall continue to be dealt with as a single Claim notwithstanding such transfers or assignments. Neither the Applicant nor the Proposal Trustee shall, in each such case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the person last holding such Claim provided such Creditor may, by notice in writing delivered to the Applicant and the Proposal Trustee, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and in such event, such Person shall be bound by any notices given or steps taken in respect of such Claim with such Creditor in accordance with the provisions of this Order.

NOTICES AND COMMUNICATION

13. Except as otherwise provided herein, the Proposal Trustee may deliver any notice or other communication to be given under this Order to Creditors or other interested Persons by forwarding true copies thereof by ordinary mail, courier, personal delivery, facsimile or e-mail to such Creditors or Persons at the address last shown on the books and records of the Applicant, and that any such service or notice by courier, personal delivery, facsimile or e-mail shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by ordinary mail on the third Business Day after mailing within Alberta, the fifth Business Day after mailing within Canada, and the tenth Business Day after mailing internationally.

14. Any notice or other communication to be given under this Order by a Creditor to the Proposal Trustee or to the Applicant shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by registered mail, courier, e-mail (in PDF format), personal delivery or facsimile transmission addressed to:

Ernst & Young Inc.,

Attn: Jessica Caden
Ernst &Young Tower
1000, 440-2nd Avenue S.W.
Calgary, Alberta T2P 5E9
E-mail: Jessica.caden@ca.ey.com

Telephone: (403) 206-5394
Fax: (403) 206-5075

15. In the event that the day on which any notice or communication required to be delivered pursuant to the Claims Process is not a Business Day, then such notice or communication shall be required to be delivered on the next Business Day.

16. In the event of any strike, lock-out or other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be delivered by personal delivery, courier, email or facsimile transmission, and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been delivered.

GENERAL

17. The Proposal Trustee is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which Proofs of Claim are completed and executed, and may, if it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of the Claims Process and this Order as to the completion and execution of Proofs of Claim.

18. The Proposal Trustee, in addition to its prescribed rights and obligations under the BIA and in relation to the Notice of Intention and Proposal of the Applicant, is hereby authorized and directed to take such other actions and fulfill such other roles as are contemplated by the Claims Process and this Order.

19. References in this Order to the singular shall include the plural, references to the plural shall include the singular and references to any gender shall include the other gender.

20. Notwithstanding the terms of this Order, the Applicant or the Proposal Trustee may apply to this Court from time to time for such further order or orders as they consider necessary or desirable to amend, supplement or replace the Claims Process or this Order.

____
Justice of the Court of Queen's Bench of Alberta

APPROVED AS TO FORM AND CONTENT
THIS 6th DAY OF MARCH, 2015.
CASSELS, BROCK & BLACKWELL LLP
PER: ______________________________
STEVEN D. DVORAK
Counsel for Ivanhoe Energy Inc.

SCHEDULE "A"

CLAIMS PROCESS

DEFINITIONS

1. For purposes of this Claims Process the following terms shall have the following meanings:

(a) "Applicant" means Ivanhoe Energy Inc. ("Ivanhoe Energy");

(b) "Business Day" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Calgary, Alberta;

(c) "BIA" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

(d) "Claim" means (i) any right or claim of any Person that may be asserted or made in whole or in part against Ivanhoe Energy, its directors, officers, employees and agents, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims of any kind that, if unsecured, would be a debt provable in bankruptcy within the meaning of the BIA had the Applicant become bankrupt, and (ii) any

Tax Claim other than an Excluded Claim. For greater certainty, a Creditor entitled to claim for interest under its applicable agreement with the Applicant may claim for interest that has accrued on its Claim as of the applicable Filing Date, but no claim for interest shall be made for interest accruing after that date;

(e) "Claims Package" means the document package which shall include a copy of the Instruction Letter, a Proof of Claim and such other materials as the Applicant or the Proposal Trustee consider necessary or appropriate;

(f) "Claims Process" means the procedures outlined herein in connection with the assertion of Claims against the Applicant;

(g) "Claims Process Order" means the Order granted by the Court on March 6, 2015, approving the Claims Process.

(h) "Court" means the Alberta Court of Queen's Bench;

(i) "Creditor" means any Person asserting a Claim;

(j) "Excluded Claim" means (i) any Claim with respect to goods and/or services provided to Ivanhoe Energy on or after the Filing Date; (ii) that portion of a Claim arising from a cause of action for which Ivanhoe Energy is covered by insurance, but only to the extent of such coverage; and (iii) any other Claim arising solely as a result of events occurring after the Filing Date;

(k) "Filing Date" means February 20, 2015;

(l) "Instruction Letter" means the letter regarding completion of a Proof of Claim, which letter shall be substantially in the form attached to the Claims Process Order as Schedule "B";

(m) "Known Creditors" means Creditors which the books and records of Ivanhoe Energy disclose were owed money by Ivanhoe Energy as of the Filing Date and which obligation remains unpaid in whole or in part;

(n) "Newspaper Notice" means the notice of the Claims Process to be published in the newspapers in accordance with the Claims Process in substantially the form attached to the Claims Process Order as Schedule "F";

(o) "Notice of Determination or Disallowance" means the notice that may be delivered by the Proposal Trustee to a Creditor determining or disallowing such Creditor's Claim as set out in its Proof of Claim in whole or in part, which notice shall be substantially in the form attached to the Claims Process Order as Schedule "D";

(p) "Notice of Dispute" means the notice that may be delivered by a Creditor who has received a Notice of Determination or Disallowance disputing such Notice of Determination or Disallowance, which notice shall be substantially in the form attached to the Claims Process Order as Schedule "E";

(q) "Person" shall be broadly interpreted and includes without limitation an individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, corporation, unincorporated association or organization, syndicate, committee, the government of a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality or department of such government or political subdivision, or any other entity, howsoever designated or constituted, including any Taxing Authority, and the trustees, executors, administrators, or other legal representatives of an individual;

(r) "Proof of Claim" means the form to be completed and filed by a Creditor setting forth its Claim, which proof of claim shall be substantially in the form attached to the Claims Process Order as Schedule "C", including the Addendum thereto;

(s) "Proposal Trustee" means Ernst & Young Inc., in its capacity as the Proposal Trustee of the Applicant;

(t) "Proven Claim" means the amount, status and/or validity of the Claim of a Creditor as finally determined in accordance with this Claims Process (a Proven Claim will be "finally determined" in accordance with this Claims Process when (i) it has been accepted by the Proposal Trustee, (ii) the applicable time period for filing and service of a Notice of Dispute in response to a Notice of Determination or Disallowance issued by the Proposal Trustee has expired and no Notice of Dispute has been served in accordance with this Claims Process; or (iii) any court of competent jurisdiction has made a determination with respect to the amount, status and/or validity of the Claim and no appeal or motion for leave to appeal therefrom shall have been taken or served on either party before the expiry of the applicable appeal period, or if any appeal(s) or motion(s) for leave to appeal or further appeal shall have been taken therefrom or served on either party, any (and all) such appeal(s) or motion(s) shall have been dismissed, determined or withdrawn;

(u) "Security" means any and all security, guarantees, sureties or assurances of payment, in whatever form, including in or over any real or personal property, held by a Creditor as collateral or additional security for the performance of the obligations of Ivanhoe Energy that are the subject of the Creditor's Claim (or held by a Creditor as collateral or additional security for the performance of the obligations of any other obligor (an "Other Obligor") with respect to whose obligations Ivanhoe Energy is guarantor and liable, or who is a guarantor of Ivanhoe Energy's obligations, or who is jointly liable or severally liable, or jointly and severally liable for Ivanhoe Energy's obligations, that are the subject of the Creditor's Claim), whether granted by Ivanhoe Energy, or an Other Obligor;

(v) "Tax" or "Taxes" means any and all amounts subject to a withholding or remitting obligation and any and all taxes, duties, fees, and other governmental charges, duties, impositions and liabilities of any kind whatsoever whether or not assessed by the Taxing Authorities (including any Claims by any of the Taxing Authorities), including all interest, penalties, fines, fees, other charges and additions with respect to such amount;

(w) "Taxing Authorities" means Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of each and every province or territory of Canada and any political subdivision thereof, and any Canadian or foreign governmental authority, and "Taxing Authority" means any one of the Taxing Authorities;

(x) "Tax Claim" means any Claim against the Applicant for any Taxes in respect of any taxation year or period ending on or prior to the applicable Filing Date, and in any case where a taxation year or period commences on or prior to the applicable Filing Date, for any Taxes in respect of or attributable to the portion of the taxation period commencing prior to the Filing Date and up to and including the Filing Date. For greater certainty, a Tax Claim shall include, without limitation, any and all Claims of any Taxing Authority in respect of transfer pricing adjustments and any Canadian or non-resident Tax related thereto;

(y) "Voting Claims Bar Date" means 5:00 p.m. (Mountain Time) on April 10, 2015 or such other date as may be ordered by the Court; and

(z) "Website" shall mean the Proposal Trustee's website located at www.ey.com/ca/ivanhoe.

NOTICE OF CLAIMS PROCESS

2. The Proposal Trustee shall cause a Claims Package to be sent to each Known Creditor by regular prepaid mail, fax, courier or email on or before March 10, 2015.

3. The Proposal Trustee shall cause the Newspaper Notice to be published in the Calgary Herald, on or prior to March 10, 2015.

4. The Proposal Trustee shall cause the Claims Package to be posted on the Website on or before March 10, 2015.

5. The Proposal Trustee shall cause a copy of the Claims Package to be sent to any Person requesting such material as soon as practicable.

FILING OF PROOFS OF CLAIM

6. Every Creditor asserting a Claim against Ivanhoe Energy shall set out its aggregate Claim (both the gross and net amounts thereof, as set out in paragraph 28 of this Claims Process) in a written Proof of Claim and deliver that Proof of Claim so that it is received by the Proposal Trustee no later than the Voting Claims Bar Date.

FORM OF PROOFS OF CLAIM

7. Any Claim set out in a Proof of Claim shall be denominated in Canadian dollars, failing which such Claim shall be converted to and shall constitute obligations in Canadian dollars and such calculation will be effected using the noon spot rate of the Bank of Canada as at the Filing Date.

8. Any Creditor holding Security shall, in its proof of claim, set out the gross amount of its Claim and also the net amount of its Claim against Ivanhoe Energy. Such Creditor shall set out

the net amount of its Claim, by valuing and deducting from the gross amount of its Claim, the estimated value, as at the applicable Filing Date, of any Security held by it. Any Creditor holding Security must submit with its proof of claim, any and all evidence, including but not limited to appraisal evidence, on which it intends to rely for purposes of its Claim and in support of the net value of its Claim.

DETERMINATION OF CLAIMS AND SUBSEQUENT CLAIMS

Review of Proofs of Claim

9. The Proposal Trustee shall review each Proof of Claim received by the Voting Claims Bar Date, and subject to paragraph 31 shall determine, value and/or disallow the Claim.

10. The Proposal Trustee may attempt to consensually resolve the classification and amount of any Claim with a Creditor prior to determining, valuing and/or disallowing its Claim.

11. If the Proposal Trustee accepts the Claim, then such Claim shall be a Proven Claim.

Notices of Determination or Disallowance

12. The Proposal Trustee will, on or before April 21, 2015, provide to each Creditor filing a Claim, in the manner set out in the Notice to Creditors, a notice in writing indicating whether the Creditor's Claim is allowed, disallowed or revised. Where the Claim is disallowed or revised, the Proposal Trustee will concurrently issue a Notice of Determination or Disallowance indicating the reasons for such disallowance or revision, together with a summary of any evidence considered by the Proposal Trustee in making its determination.

Notice of Dispute

13. Any Creditor who disputes the classification or amount of its Claim as set forth in a Notice of Determination or Disallowance shall serve a Notice of Dispute on the Proposal Trustee by 5:00 p.m. (Mountain Time) on the day which is five (5) Business Days after the date of the Notice of Determination or Disallowance.

14. Any Creditor who fails to deliver a Notice of Dispute by the deadline set forth in paragraph 13 shall be deemed to accept the classification and the amount of its Claim as set out in the Notice of Determination or Disallowance for the purposes of voting on the Applicant's Proposal, and such Claim as set out in the Notice of Determination or Disallowance shall constitute a Proven Claim.

15. Only Creditors who submit Proofs of Claim on or prior to the Voting Claims Bar Date, in accordance with this Claims Process, shall be entitled to vote at any meeting(s) to consider the Applicant's Proposal. All other Creditors shall be barred, subject to leave of the Court, from voting on the Applicant's Proposal.

Resolution of Claims

16. Upon receipt of a Notice of Dispute, the Proposal Trustee may (i) attempt to consensually resolve the classification and amount of the Claim with the Creditor, or (ii) bring an application before the Court in these proceedings to determine the classification and/or amount of the Claim.

17. If the Proposal Trustee and the Creditor consensually resolve the classification and amount of the Claim, the Proposal Trustee may accept a revised Claim and such Claim will constitute a Proven Claim.

SCHEDULE "B"

INSTRUCTION LETTER FOR THE CLAIMS PROCESS OF IVANHOE ENERGY INC. ON EYI LETTERHEAD

A. Claims Process

By order of the Honourable Mr. Justice Jeffrey dated March 6, 2015 (the "Claims Process Order"), which is attached hereto without Schedules (other than Schedule "A"), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-9, as amended (the "BIA"), Ernst & Young Inc., in its capacity as the Proposal Trustee ("Proposal Trustee") of Ivanhoe Energy Inc., has been authorized to conduct a claims process (the "Claims Process") to determine the value of creditors' claims against Ivanhoe Energy Inc. A complete copy of the Claims Process Order may be found on the Proposal Trustee's website at: www.ey.com/ca/ivanhoe.

This letter provides instructions for completing the Proof of Claim. For your information, there is currently no finalized proposal under the BIA or any other contemplated distribution to the creditors of Ivanhoe Energy Inc. Capitalized terms not defined herein shall have the meaning ascribed to them in the Claims Process Order.

The Claims Process is intended for any Person asserting a Claim of any kind or nature whatsoever against Ivanhoe Energy Inc., existing at February 20, 2015.

If you have any questions regarding the Claims Process, please contact the Proposal Trustee at the address provided below.

All enquiries with respect to the Claims Process should be addressed to:

The Proposal Trustee
Ernst & Young Inc.,
Attn: Jessica Caden
Ernst &Young Tower
1000, 440-2nd Avenue S.W.
Calgary, Alberta T2P 5E9
E-mail: Jessica.caden@ey.ca.com

Telephone: (403) 206-5394
Fax: (403) 206-5075

B. For Creditors Submitting a Proof of Claim

To ensure that you can participate in a vote on any Proposal to be submitted by Ivanhoe Energy, you are required to file with the Proposal Trustee a Proof of Claim, in the form attached hereto, so as to be received by 5:00 p.m. (Mountain Time) on April 10, 2015 (the "Voting Claims Bar Date").

Additional Proof of Claim forms can be found on the Proposal Trustee's website at www.ey.com/ca/ivanhoeenergy or may obtained by contacting the Proposal Trustee at the address indicated above and providing particulars as to your name, address, facsimile number and e-mail address. Once the Proposal Trustee has this information, you will receive, as soon as practicable, additional Proof of Claim forms.

PROOFS OF CLAIM WHICH ARE NOT RECEIVED BY THE VOTING CLAIMS BAR DATE DISENTITLE CREDITORS FROM VOTING ON ANY PROPOSAL THAT MAY BE FILED BY IVANHOE ENERGY INC.

Yours very truly,

ERNST & YOUNG INC., in its capacity as Proposal
Trustee of Ivanhoe Energy Inc.

H. Neil Narfason, CA CIRP, CBV
Senior Vice-President

SCHEDULE "C"

PROOF OF CLAIM

Proof of Claim
(Sections 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

PLEASE ENSURE BOTH SIDES OF THIS FORM ARE COMPLETED

All notices or correspondence regarding this claim to be forwarded to the following address:

Name ______________________________

Address ______________________________

City, Province ______________ *Postal Code* ____________ *Tel* ____________

In the matter of the bankruptcy (or the proposal, or the receivership) of ________________, of ____________, __________ and the claim of ______________________________, creditor.

I, ____________________ *(name of creditor or representative of the creditor)*, of ______________________________ *(city and province)*, do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am ______________ (state position or title) of ________________ (name of creditor or representative of the creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of the notice of intention was filed, namely the 20th day of February, 2015, and still is, indebted to the creditor in the sum of $__________, as specified in the statement of account (or affidavit) attached and marked "Schedule A", after deducting any counterclaims or set-off rights to which the debtor is entitled. *(The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)*

4. (Check and complete appropriate category.)

☐ A. UNSECURED CLAIM OF $__________

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description.)

☐ Regarding the amount of $________ I claim a right to a priority under section 136 of the Act.

☐ Regarding the amount of $________ I do claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

☐ B. CLAIM OF LESSOR DISCLAIMER OF A LEASE $___________

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

☐ C. SECURED CLAIM OF $____________

That in respect of this debt, I hold assets of the debtor valued at $____________ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

☐ D. CLAIM FARMER, FISHERMAN OR AQUACULTURIST OF $__________

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of $______

(Attach a copy of sales agreement and delivery receipts.)

☐ E. CLAIM BY WAGER EARNER OF $__________

☐ That I hereby make a claim under subsection 81.3(8) of the Act in the amount of $____________

☐ That I hereby make a claim under subsection 81.4(8) of the Act in the amount of $____________

☐ F. CLAIM AGAINST DIRECTOR $___________

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full details of the claim, including the calculations upon which the claim is based.)

☐ G. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM $__________

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

(Give full details of the claim, including the calculations upon which the claim is based.)

5. That to the best of my knowledge, I am *(or* the above-named creditor is) *(or* am not *or* is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were

not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act. (Provide details of payments, credits and transfers at undervalue.)

(Applicable only in the case of the bankruptcy of an individual.)

☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at ____________________ this day of , 2015.

Witness	Creditor Phone Number: Fax Number: Email Address:

NOTE: If an affidavit is attached, it must have been sworn to before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

NOTE: If a copy of this form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1 must be added at the end of the document.

IN THE MATTER OF THE PROPOSAL
OF IVANHOE ENERGY INC.

ADDENDUM TO PROOF OF CLAIM

☐ H. SECURITY (AS DEFINED IN THE CLAIMS PROCESS)

That in respect of this debt, I hold Security (as defined in the Claims Process) valued at , the particulars of which are as follows:

(Give full particulars of the Security, including the date on which the Security was given and the value at which you assess the Security, and attach a copy of the Security documents and any appraisal or valuation evidence upon which you will rely.)

Dated at ____________________ this day of , 2015.

Witness	Creditor Phone Number: Fax Number: Email Address:

SCHEDULE "D"

IN THE MATTER OF THE PROPOSAL
OF IVANHOE ENERGY INC.

NOTICE OF DETERMINATION OR DISALLOWANCE

Name of Debtor: Ivanhoe Energy Inc.
Name of Claimant: ______________________

Reference #: ______________________

Pursuant to the Order of the Honourable Mr. Justice Jeffrey dated March 6, 2015, Ernst & Young Inc., in its capacity as Proposal Trustee, hereby gives you notice that it has reviewed your Proof of Claim and has revised or rejected your Claim as follows:

Proof of Claim as Submitted	Revised Claim as Accepted	Secured ($CDN)	Unsecured ($CDN)
$	$	$	$

Reason for the Determination or Disallowance:

If you do not agree with this Notice of Determination or Disallowance please take notice of the following:

1. If you intend to dispute a Notice of Determination or Disallowance, you must, on or before the day which is five (5) Business Days after the date of the Notice of Determination or Disallowance, deliver a Notice of Dispute to the Proposal Trustee, in the form attached hereto, by registered mail, personal service, e-mail (in PDF format), facsimile or courier to the address indicated herein. The form of Notice of Dispute is attached to this Notice.

2. If you do not deliver a Notice of Dispute in the time specified, the value and classification of your Claim shall be deemed to be as set out in this Notice of Determination or Disallowance.

Address for Service of Notices of Dispute:

The Proposal Trustee
Ernst & Young Inc.,

Attn: Jessica Caden
Ernst &Young Tower
1000, 440-2nd Avenue S.W.
Calgary, Alberta T2P 5E9
E-mail: Jessica.caden@ey.ca.com

Telephone: (403) 206-5394
Fax: (403) 206-5075

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

Dated at Calgary, Alberta, this day of , 2015.

ERNST & YOUNG INC.
In its capacity as Proposal Trustee of
Ivanhoe Energy Inc.

Per: Name:
Title:

SCHEDULE "E"

IN THE MATTER OF THE PROPOSAL OF IVANHOE ENERGY INC.

NOTICE OF DISPUTE

Pursuant to the Order of the Honourable Mr. Justice Jeffrey dated March 6, 2015, we hereby give you notice of our intention to dispute the Notice of Determination or Disallowance bearing Reference # ____________ and dated ____________________,issued by Ernst & Young Inc. in its capacity as Proposal Trustee of Ivanhoe Energy Inc.

Name of Creditor: _________________________

Reviewed Claim as Accepted	Reviewed Claim as Disputed	Secured	Unsecured

Reason for Dispute (attach additional sheet and copies of all supporting documentation if necessary):

Signature of Individual or Representative of Corporate Creditor: ______________________

Date: ______________________

(Please print name): ____

Telephone Number: ____

Facsimile Number: ____

Email Address:____

Full Mailing Address:____

THIS FORM AND SUPPORTING DOCUMENTATION TO BE RETURNED BY REGISTERED MAIL, PERSONAL SERVICE, E-MAIL (IN PDF FORMAT), FACSIMILE OR COURIER TO THE ADDRESS INDICATED HEREIN AND TO BE RECEIVED BY 5:00 P.M. (MOUNTAIN TIME) ON THE DAY WHICH IS FIVE (5) BUSINESS DAYS AFTER THE DATE OF THE NOTICE OF DETERMINATION OR DISALLOWANCE.

Address for Service of Notices of Dispute:

The Proposal Trustee
Ernst & Young Inc.,

Attn: Jessica Caden
Ernst &Young Tower
1000, 440-2nd Avenue S.W.
Calgary, Alberta T2P 5E9
E-mail: Jessica.caden@ey.ca.com

Telephone: (403) 206-5394
Fax: (403) 206-5075

SCHEDULE "F"

NOTICE TO CREDITORS OF IVANHOE ENERGY INC.

Re: NOTICE OF CALL FOR CLAIMS AND CLAIMS BAR DATE FOR IVANHOE ENERGY INC.

NOTICE IS HEREBY GIVEN THAT pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") granted March 6, 2015 (the "Claims Process Order"), the Court has ordered that Claims Packages (as defined in the Claims Process Order) be sent to various known creditors of Ivanhoe Energy Inc., as specified in the Claims Process Order. A copy of the Claims Process Order and the Claims Package can be obtained from the website of the Proposal Trustee, Ernst & Young Inc., at www.ey.com/ca/ivanhoeenergy.

Any person who believes that they have a claim againstIvanhoe Energy Inc., whether liquidated, contingent or otherwise, must submit a Proof of Claim to the Proposal Trustee to be received by 5:00 p.m. (Mountain Time) on April 10, 2015 (the "Voting Claims Bar Date").

CREDITORS HOLDING CLAIMS WHICH ARE NOT RECEIVED BY THE VOTING CLAIMS BAR DATE WILL BE BARRED, ESTOPPED, AND ENJOINED FROM VOTING ON ANY PROPOSAL OF IVANHOE ENERGY INC., WITHOUT LEAVE OF THE COURT, AND SHALL NOT BE ENTITLED TO RECEIVE FURTHER NOTICE OF THESE PROCEEDINGS.

Creditors of Ivanhoe Energy Inc. who have not received a Claims Package from the Proposal Trustee may obtain a copy from the website of the Proposal Trustee at www.ey.com/ca/ivanhoeenergy or by contacting the Proposal Trustee by telephone at: (403) 206-5394; or by fax: (403) 206-5075.

DATED this __ day of March, 2015.