

FORM: Half yearly/preliminary final report

Name of issuer

INTERNATIONAL PETROLEUM LIMITED

ACN or ARBN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended (‘Current period’)
119 108 615		x	Financial period ended 30 June 2010

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

Extracts from this statement for announcement to the market (see note 1).

				\$A'000
Revenue (item 1.1)	up	0.49%	to	411
Profit (loss) for the period (item 1.9)	down	333%	to	(9,212)
Profit (loss) for the period attributable to security holders (item 1.11)	down	333%	to	(9,212)
Income Distributions		Current period	Previous corresponding period	
N/A		N/A	N/A	
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
N/A				

Review of operations

International Petroleum Limited (formerly International Goldfields Limited) (“International Petroleum” or the “Company”) had historically focused on the exploration and development of its farm-in rights to a platinum project in the Bushveld region of South Africa, known as the Tubatse Project. However, in October 2009 the Company entered into an Asset Sale Agreement (“Agreement”) pursuant to which the Company agreed to sell its 15% interest in the Tubatse Project to Nkwe Platinum Limited (“NKWE”) for \$60 million.

Under the Agreement:

- \$10 million was due to be paid to the Company within 5 days of it obtaining shareholder approval. These funds have been paid to the Company, which entitles NKWE to a 5% interest in the Tubatse Project.
- \$50 million is due to be paid to the Company within 30 days of the earlier of:
 - the grant of mining rights in respect of the Tubatse Project; and
 - XStrata South Africa exercising its option with NKWE such that XStrata South Africa will acquire a 50% interest in the land that is the subject of the Tubatse Project.
- If the payment of \$50 million is not made by NKWE when it falls due, NKWE will have no right to acquire the remaining 10% interest in the project.

Also in October 2009, the Company entered into a Share Sale Agreement with Eastern Petroleum Corporation Limited ("Eastern") and the shareholders of Eastern. The agreement set out that International Petroleum would acquire 100% of Eastern's share capital in exchange for the issue of 675,965,359 International Petroleum shares and 135,193,072 International Petroleum options to the shareholders of Eastern.

Eastern's wholly owned subsidiary, North Caspian Petroleum Limited ("NCPL") operates and owns a 50% interest in subsoil use rights for the exploration of hydrocarbons in an early stage project in eastern and south eastern Kazakhstan ("Kazakhstan Project"). The remaining 50% interest is owned by Remas Corporation LLP, a privately owned Kazakhstan company.

The Share Sale Agreement included the completion of a placement to raise a minimum of \$20 million and the receipt of conditional approval to be re-quoted on the Australian Securities Exchange ("ASX") as conditions precedent.

In March 2010, ASX advised International Petroleum that it would not re-admit the Company to quotation if it proceeded with the acquisition of Eastern ("ASX Decision"). The Company subsequently appealed the ASX Decision which resulted in the ASX Decision being overturned. Contemporaneous with its ASX appeal, the Company pursued a listing on the National Stock Exchange of Australia ("NSX").

On 23 April 2010, the Company lodged a prospectus to raise \$30 million with the Australian Securities and Investments Commission and on 7 May 2010 the offer under the prospectus closed fully subscribed.

International Petroleum was admitted to NSX's Official List on 15 June 2010 and completed its acquisition of Eastern on that date. On 23 June 2010, the Consolidated Entity was admitted to Official Quotation on NSX (NSX code: IOP). The Company subsequently de-listed its securities from trading on ASX and was removed from ASX's official list on 3 September 2010. All of the Company's ordinary shares are now quoted on NSX under the code IOP.

On 14 July 2010, the Company commenced drilling its second well ("**Well A-2**"), within its 32,865 km² Alakol licence area in the east of Kazakhstan, on the Chinese border. The Alakol basin is considered to be similar to the Junggar and Zaisan basins across the border in China that are both proven oil provinces. Well A-2 will be drilled to a total depth of 3,500m.

The Company has acquired, processed and interpreted 1350km of 2D seismic data within the licence area and identified 5 prospects and a number of leads. The Company has also completed a number of geological studies and remote sensing work over the licence area. Well A-2 is a follow-up well to the first exploration well, Well A-1, drilled on Prospect H in 2009. After Well A-1, the Company reprocessed and reinterpreted the seismic data and Well A-2 will test the Paleozoic sequence, which is expected to occur from 2,500m and comprise of Permian and Carboniferous sediments underlying the volcanic rocks intersected in Well A-1.

International Petroleum's acquisition of Eastern is required to be accounted for as a reverse acquisition under Australian Accounting Standards. Consequently, the current period financial result for the Consolidated Entity comprises the financial result of International Petroleum from 15 June 2010 (the date it was deemed to have been acquired by Eastern) to 30 June 2010 and the financial result of Eastern from 1 January 2010 (date since last audited financial statements) to 30 June 2010.

The prior period financial result for the Consolidated Entity comprises the financial result of Eastern for the period from 1 January 2009 to 31 December 2009 (the period covered in its last audited financial statements). Eastern's functional currency is United States Dollars. Eastern's income statement for the year ended 31 December 2009 has been converted to Australian Dollars using the average USD/AUD exchange rate for the 12 months ended 31 December 2009.

The Consolidated Entity incurred a loss after income tax of \$9,211,921 for the period ended 30 June 2010 (2009: \$2,126,266).

Consolidated statement of comprehensive income

		Current period - \$A'000	Previous corresponding period - \$A'000
1.1	Revenues (<i>item 7.1</i>)	411	409
1.2	Expenses, excluding finance costs (<i>item 7.2</i>)	(9,623)	(2,536)
1.3	Finance costs	-	-
1.4	Share of net profits (losses) of associates and joint ventures (<i>item 15.7</i>)	-	-
1.5	Profit (loss) before income tax	(9,212)	(2,127)
1.6	Income tax expense (<i>see note 4</i>)	-	-
1.7	Profit (loss) from continuing operations	(9,212)	(2,127)
1.8	Profit (loss) from discontinued operations (<i>item 13.3</i>)	-	-
1.9	Net loss for the period attributable to ordinary equity holders	(9,212)	(2,127)
1.10	Other comprehensive income and expenditure		
1.11	Net fair value gains on available for sale investments	286	-
1.12	Foreign currency translation	(149)	-
1.13	Income tax on items of other comprehensive income and expenditure	(86)	-
1.14	Comprehensive expenditure for the period, net of tax	51	-
1.15	Total comprehensive loss for the period attributable to ordinary equity holders	(9,161)	(2,127)
1.16	Basic earnings per <i>security</i> (<i>item 9.1</i>)	(1.48)	(0.36)
1.17	Diluted earnings per <i>security</i> (<i>item 9.1</i>)	(1.48)	(0.36)
1.18	Distribution per <i>security</i> (<i>item 9.1</i>)	-	-

Comparison of half-year profits

		Current period - \$A'000	Previous corresponding period - \$A'000
2.1	Consolidated profit (loss) after tax attributable to security holders reported for the 1st half year (<i>item 1.11</i> in the half yearly statement)	(3,023) ¹	(275) ²
2.2	Consolidated profit (loss) after tax attributable to security holders for the 2nd half year	(9,212) ³	(2,127) ⁴

Notes

- The loss after tax for the 1st half year represents the loss reported by International Petroleum and published on ASX on 16 March 2010 (ASX code: IPO).

2. The loss after tax for the previous corresponding 1st half year represents the loss reported by International Petroleum (then called International Goldfields Limited) and published on ASX on 13 March 2009 (ASX code: IGC).
3. The loss for the 2nd half comprises:
 - the loss recorded by International Petroleum for the period 15 June 2010 (the date it was deemed to have been acquired by Eastern) to 30 June 2010; and
 - the loss recorded by Eastern from 1 January 2010 (date since last audited financial statements) to 30 June 2010.
4. The loss after tax for the for the previous corresponding 2nd half year represents the loss reported by Eastern in its last audited accounts which cover the period 1 January 2009 to 31 December 2009. Eastern's income statement for the year ended 31 December 2009 has been converted to Australian Dollars using the average USD/AUD exchange rate for the 12 months ended 31 December 2009.

Consolidated statement of financial position

The consolidated balance sheet as at 30 June 2010 (the current period) represents the consolidation of International Petroleum and Eastern.

The consolidated balance sheet for the previous corresponding period represents that of Eastern as at 31 December 2009 (the date of its last audited accounts). Eastern's functional currency is United States Dollars. Eastern's 31 December 2009 balance sheet has been converted to Australian Dollars using the USD/AUD spot rate on 31 December 2009.

		Current period 30 Jun 2010 \$A'000	Previous corresponding period 31 Dec 2009 \$A'000
	Current assets		
3.1	Cash and cash equivalents	34,953	750
3.2	Trade and other receivables	812	582
3.3	Inventories	3,567	3,422
3.4	Other current assets (provide details if material)	-	-
3.5	Total current assets	39,332	4,754
	Non-current assets		
3.6	Available for sale investments	2,415	-
3.7	Restricted cash	135	-
3.8	Trade and other receivables	1,716	1,515
3.9	Deferred tax assets	-	-
3.10	Exploration and evaluation expenditure capitalised	83,489	42,063
3.11	Development properties	-	-
3.12	Property, plant and equipment (net)	30	25
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	-	-
3.16	Other (provide details if material)	-	-
3.17	Total non-current assets	87,785	43,603
3.18	Total assets	127,117	48,357
	Current liabilities		
3.19	Trade and other payables	1,281	5,418
3.20	Short term borrowings	-	22,097
3.21	Current tax payable	1,650	-
3.22	Short term provisions	-	-

		Current period 30 Jun 2010 \$A'000	Previous corresponding period 31 Dec 2009 \$A'000
3.23	Current portion of long term borrowings	-	-
3.24	Other current liabilities (provide details if material)	-	-
		2,931	27,515
3.25	Liabilities directly associated with non-current assets classified as held for sale	-	-
3.26	Total current liabilities	2,931	27,515
	Non-current liabilities		
3.27	Long-term borrowings	-	-
3.28	Deferred tax liabilities	6,768	-
3.29	Long term provisions	-	-
3.30	Provision for site rehabilitation	258	242
3.31	Total non-current liabilities	7,026	242
3.32	Total liabilities	9,957	27,757
3.33	Net assets	117,160	20,600
	Equity		
3.34	Share capital	259,249	148,875
3.35	Other reserves	(117,705)	(113,396)
3.36	Retained earnings	(24,384)	(14,879)
3.37	Total equity	117,160	20,600

Consolidated statement of changes in equity

The consolidated statement of changes in equity for the current period comprises:

- The equity balance of Eastern at the beginning of the period, 1 January 2010,
- The total comprehensive income and transactions with equity holders for the period to 1 January 2010 to 30 June 2010 for Eastern and 15 June 2010 to 30 June 2010 for International Petroleum,
- The consolidated equity balance of Eastern and International Petroleum as at 30 June 2010.

The consolidated statement of changes in equity for the previous corresponding period comprises the 12 months from 1 January 2009 to 31 December 2009 for Eastern (as per its last audited financial statements). Eastern's functional currency is United States Dollars. Eastern's statement of changes in equity for the year ended 31 December 2009 has been converted to Australian Dollars using the average USD/AUD exchange rate for the 12 months ended 31 December 2009.

	Ordinary Shares	Revaluation Reserve	Merger Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
At 1 January 2010 ¹	148,875	-	(113,664)	268	(14,879)	20,600
Net operating loss for the period	-	-	-	-	(9,212)	(9,212)
Net fair value gains on available for sale investments (after tax)	-	200	-	-	-	200
Foreign currency exchange differences arising on consolidation of foreign operation	-	-	-	(149)	-	(149)
Shares issued on conversion of convertible loan note	22,944	-	-	-	-	22,944
Fair value of International shares transferred to Eastern under reverse acquisition accounting	81,720	-	-	-	-	81,720
Movement due to changes in foreign exchange rates ²	5,710	-	(4,360)	-	(293)	1,057
At 30 June 2010	259,249	200	(118,024)	119	(24,384)	117,160

¹ The opening balances are those of Eastern's last audited accounts for the year ended 31 December 2009 and have been translated at the GBP/AUD spot rate on 31 December 2009.

² This movement arises due to the movements in the GBP/AUD exchange rate in the period from 31 December 2009 to 30 June 2010.

	Ordinary Shares	Revaluation Reserve	Merger Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
At 1 January 2009 ³	189,610	-	(146,976)	-	(16,491)	26,143
Net operating loss for the period	-	-	-	-	(2,127)	(2,127)
Foreign currency exchange differences arising on consolidation of foreign operation	-	-	-	268	-	268
Shares issued pursuant to a capital raising	2,239	-	-	-	-	2,239
Movement due to changes in foreign exchange rates ⁴	(42,974)	-	33,312	-	3,739	(5,923)
At 31 December 2009	148,875	-	(113,664)	268	(14,879)	20,600

³ The opening balances are those of Eastern's audited accounts for the year ended 31 December 2008 and have been translated at the GBP/AUD spot rate on 31 December 2008.

⁴ This movement arises due to the movements in the GBP/AUD exchange rate in the period from 31 December 2008 to 31 December 2009.

Consolidated statement of cash flows

(See note 6)

(as per AASB 107: Cash Flow Statements)

The consolidated statement of cash flows for the current period comprises:

- The cash balance of Eastern at the beginning of the period, 1 January 2010,
- The transactions for the period ended 30 June 2010, being 6 months of Eastern and 15 days of International Petroleum,
- The consolidated cash balance of Eastern and International Petroleum as at 30 June 2010.

The consolidated statement of cash flows for the previous corresponding period comprises 12 months of Eastern from 1 January 2009 to 31 December 2009 (being the period covered in its last audited financial statements).

Eastern's functional currency is United States Dollars. Eastern's cash flow movements for the year ended 31 December 2009 have been converted to Australian Dollars using the average USD/AUD exchange rate for the 12 months ended 31 December 2009. The opening cash position on 1 January 2009 has been converted to Australian Dollars using the USD/AUD exchange rate on 31 December 2008 and the closing cash position on 31 December 2009 has been converted to Australian Dollars using the USD/AUD exchange rate on 31 December 2009.

		Current period - \$A'000	Previous corresponding period - \$A'000
	Cash flows related to operating activities		
5.1	Receipts from customers	-	-
5.2	Payments to suppliers and employees	(3,167)	(4,424)
5.3	Interest and other costs of finance paid	-	-
5.4	Income taxes paid	-	-
5.5	Other		
	Interest received	43	-
	Other income received	368	409
5.6	Net cash used in operating activities	(2,756)	(4,015)
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	(8)	(29)
5.8	Proceeds from sale of property, plant and equipment	-	-
5.9	Payment for purchases of equity investments	-	-
5.10	Proceeds from sale of equity investments	-	-
5.11	Payments for exploration and evaluation activities	(1,640)	(13,539)
5.12	Cash backing security paid	(135)	-

		Current period - \$A'000	Previous corresponding period - \$A'000
5.13	Other: Cash balances acquired on acquisition of controlled entities	35,025	-
5.14	Net cash from / (used in) investing activities	33,242	(13,568)
	Cash flows related to financing activities		
5.15	Proceeds from issues of securities net of capital raising costs (shares, options, etc.)	-	2,562
5.16	Proceeds from borrowings	3,714	15,276
5.17	Repayment of borrowings	-	-
5.18	Distributions paid	-	-
5.19	Other (provide details if material)	-	-
5.20	Net cash from / (used in) financing activities	3,714	17,838
	Net increase (decrease) in cash and cash equivalents	34,200	255
5.21	Cash at beginning of period (see <i>Reconciliations of cash</i>)	750	680
5.22	Exchange rate adjustments to item 5.21	3	(185)
5.23	Cash at end of period (see <i>Reconciliation of cash</i>)	34,953	750

Reconciliation of cash provided by operating activities to profit or loss

		Current period \$A'000	Previous corresponding period \$A'000
6.1	Loss (item 1.9)	(9,212)	(2,127)
	Adjustments for:		
6.2	Depreciation	3	56
6.3	Excess consideration written off	7,579	-
6.4			
6.5	Increase/(decrease) in provisions	-	(68)
6.6	(Increase)/decrease in trade & other receivables	(189)	370
6.7	Increase/(decrease) in trade & other payables	(937)	(2,246)
6.8	Increase/decrease in		
6.9	Increase/decrease in		
6.10	Net cash from operating activities (item 5.6)	(2,756)	(4,015)

Notes to the financial statements

Details of revenues and expenses

		Current period - \$A'000	Previous corresponding period - \$A'000
	Revenue		
	Rental income received	368	398
	Interest income	43	-
	Other income	-	11
7.1	Total Revenue	411	409
	Expenses		
	Employee benefits expense	(192)	(777)
	Consulting expenses	(675)	(638)
	Compliance and regulatory expenses	(86)	(117)
	Occupancy expenses	(430)	(701)
	Administration expenses	(396)	(998)
	Depreciation	(3)	(56)
	Foreign exchange gains / (losses)	(262)	751
	Excess purchase consideration written off	(7,579)	-
7.2	Total Expenses	(9,623)	(2,536)
	Profit (loss) before tax	(9,212)	(2,127)

Ratios		Current period	Previous corresponding period
8.1	Profit before tax / revenue Consolidated profit (loss) before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	(2,241%)	(520%)
8.2	Profit after tax / equity interests Consolidated profit (loss) after tax attributable to security holders (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 3.37</i>)	(8%)	(10%)

Earnings per Security

9.1	<i>Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:</i>
	<p>Current Period</p> <p>Loss for the period: \$9,211,921</p> <p>Weighted average number of shares on issue: 622,821,163</p> <p>The weighted average number of shares on issue has been calculated by adding together the weighted average number of ordinary shares on issue by Eastern from 1 January 2010 to 15 June 2010 and the weighted average number of ordinary shares on issue by International Petroleum from 15 June 2010 to 30 June 2010.</p> <p>Previous corresponding period</p> <p>Loss for the period: \$2,126,266</p> <p>Weighted average number of shares on issue: 587,156,481</p> <p>The weighted average number of shares on issue has been calculated using the weighted average number of ordinary shares on issue by Eastern from 1 January 2009 to 31 December 2009.</p>

Income distributions

10.1	Date the income distribution is payable	N/A
10.2	Record date to determine entitlements to the income distribution (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)	N/A

10.3 The *distribution plans* shown below are in operation.

N/A

The last date(s) for receipt of election notices to the *distribution plans*

N/A

10.4 Any other disclosures in relation to *distributions*

N/A

Distributions paid or provided for on all *securities*

		Current period - \$A'000	Previous corresponding period - \$A'000	Franking rate applicable
	Distributions paid or provided for during the reporting period			
10.5	Current year interim	N/A	N/A	N/A
10.6	Previous year final	N/A	N/A	N/A

Distributions per *security*

		Current year	Previous year	Franking rate applicable
	Distributions paid or provided for during the reporting period			
10.7	Current year interim	N/A	N/A	N/A
10.8	Previous year final	N/A	N/A	N/A

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

		Current period \$A'000	Previous corresponding period \$A'000
11.1	Opening balance	42,063 ¹	39,092 ²
11.2	Expenditure incurred during current period	1,640	13,539
11.3	Expenditure written off during current period	-	-
11.4	Acquisitions, disposals, revaluation increments, etc.	-	-
11.5	Acquisition as a result of a business combination	37,928	-
11.6	Movements in capitalised exploration and evaluation costs due to fluctuations in foreign exchange rates	1,858 ³	(10,568) ⁴
11.7	Expenditure transferred to Development Properties	-	-
11.8	Closing balance as shown in the consolidated balance sheet (item 3.10)	83,489	42,063

¹ The opening balances are those of Eastern's last audited accounts for the year ended 31 December 2009 and have been translated at the GBP/AUD spot rate on 31 December 2009.

² opening balance at 1 January 2009 represents the closing balance from Eastern's 31 December 2008 audited accounts converted into Australian Dollars at the USD/AUD foreign exchange rate on 31 December 2008.

³ This movement arises due to the movements in the GBP/AUD exchange rate in the period from 31 December 2009 to 30 June 2010.

⁴ This movement arises due to the movements in the GBP/AUD exchange rate in the period from 31 December 2008 to 31 December 2009.

Development properties

(To be completed only by issuers with mining interests if amounts are material)

		Current period \$A'000	Previous corresponding period \$A'000
12.1	Opening balance	-	-
12.2	Expenditure incurred during current period	-	-
12.3	Expenditure transferred from exploration and evaluation	-	-
12.4	Expenditure written off during current period	-	-
12.5	Acquisitions, disposals, revaluation increments, etc.	-	-
12.6	Expenditure transferred to mine properties	-	-
12.7	Closing balance as shown in the consolidated balance sheet (item 3.11)	-	-

Discontinued Operations

		Current period \$A'000	Previous corresponding period \$A'000
13.1	Revenue	-	-
13.2	Expense	-	-
13.3	Profit (loss) from discontinued operations before income tax	-	-
13.4	Income tax expense <i>(as per para 81 (h) of AASB 112)</i>	-	-
13.5	Gain (loss) on sale/disposal of discontinued operations	-	-
13.6	Income tax expense (as per paragraph 81(h) of AASB 112)	-	-

Movements in Equity

International Petroleum Limited ("International Petroleum" or the "Company") completed the acquisition of 100% of Eastern Petroleum Corporation Limited ("Eastern") on 15 June 2010 ("Acquisition"). Under Australian Accounting Standards (AASB 3 "Business Combinations"), this Acquisition is required to be accounted for as a reverse acquisition. Although Eastern is treated as the parent entity for accounting purposes, the capital structure of the consolidated entity is that of the legal parent, International Petroleum.

The current period reflects the movements in International Petroleum's capital structure for the 12 month period 1 July 2009 to 30 June 2010.

The previous corresponding period reflects the movements in International Petroleum's capital structure for the 12 month period 1 July 2008 to 30 June 2009.

During the current period, International Petroleum applied for quotation on NSX. On 15 June 2010, the Company was admitted to NSX's Official List and on 23 June 2010, the Company was admitted to Official Quotation on NSX. The Company's securities had been suspended from trading on ASX since 24 November 2009. On 3 September 2010, the Company was de-listed from ASX.

		Current period				Previous corresponding period		
		Number	Number quoted on NSX	Paid-up value (cents)	Carrying value A\$'000	Number	Number quoted on ASX	Carrying value A\$'000
14.1	Preference securities							
14.2	Balance at start of period	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14.3	a) Increases through issues	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14.4	a) Decreases through returns of capital, buybacks etc.	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14.5	Balance at end of period	N/A	N/A	N/A	N/A	N/A	N/A	N/A
14.6	Ordinary securities <i>(fully paid ordinary shares)</i>							
14.7	Balance at start of period	152,400,005	-		29,577	118,199,840	118,199,840	22,853

		Current period				Previous corresponding period		
		Number	Number quoted on NSX	Paid-up value (cents)	Carrying value A\$'000	Number	Number quoted on ASX	Carrying value A\$'000
14.8	a) Increases through issues							
	Application for quotation		152,400,005 ¹					
	Issue of shares to acquire Eastern	675,965,358	675,965,358 ²	N/A ³	202,790			-
	Issue of shares pursuant to a capital raising	100,000,000	100,000,000	30 c	28,173 ⁴			-
	Conversion of converting performance shares	20,000,000	20,000,000	N/A	-			-
	Issue of shares pursuant to option exercise	-	-	-	-	34,200,165	34,200,165	6,724 ⁵
14.9	b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-	-	-
14.10	Balance at end of period	948,365,363	948,365,363		260,540	152,400,005	152,400,005	29,577

¹ These shares have been quoted on NSX with effect from 23 June 2010.

² These shares are escrowed for a period of 12 months from 15 June 2010 and are quoted on NSX but are unable to trade until 15 June 2011.

³ These shares were issued for nil consideration as they were issued to acquire 100% of the share capital of Eastern.

⁴ Proceeds from capital raising net of capital raising costs.

⁵ Proceeds received on exercise of options net of transaction costs.

		Current period				Previous corresponding period	
		Number issued	Number listed	Paid-up value (cents)	A\$'000	Number issued	A\$'000
14.11	Convertible Debt Securities <i>(description & conversion factor)</i>						
14.12	Balance at start of period	N/A	N/A	N/A	N/A	N/A	
14.13	a) Increases through issues	N/A	N/A	N/A	N/A	N/A	
14.14	b) Decreases through maturity, converted.	N/A	N/A	N/A	N/A	N/A	
14.15	Balance at end of period	N/A	N/A	N/A	N/A	N/A	
14.16	Options						
14.17	Balance at start of period	-	-	-	3,992	62,800,165 ⁷	7,501
14.18	Issued during period	135,193,072 ⁶	-	-	27,490 ⁶	-	-
14.19	Exercised during period	-	-	-	-	(34,200,165)	-
14.20	Expired during period	-	-	-	-	(28,600,000)	(3,509)
14.21	Balance at end of period	135,193,072	-	-	31,482	-	3,992

⁶ These options have an exercise price of \$0.25 and an expiry date of 30 June 2012. The options were valued on grant date at \$27,489,846.

⁷ Balance comprises 60,000,000 unlisted options with an exercise price of \$0.20 and an expiry date of 30 June 2009 and 20,000,000 unlisted options with an exercise price of \$0.15 and an expiry date of 30 June 2009

		Number issued	Number listed	Paid- up value (cents)	Current period – A\$'000	Previous corresponding period – A\$'000
14.22	Debentures <i>(description)</i>					
14.23	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.24	a) Increases through issues	N/A	N/A	N/A	N/A	N/A
14.25	b) Decreases through maturity, converted	N/A	N/A	N/A	N/A	N/A
14.26	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.27	Unsecured Notes <i>(description)</i>					
14.28	Balance at start of period	N/A	N/A	N/A	N/A	N/A
14.29	a) Increases through issues	N/A	N/A	N/A	N/A	N/A
14.30	b) Decreases through maturity, converted	N/A	N/A	N/A	N/A	N/A
14.31	Balance at end of period	N/A	N/A	N/A	N/A	N/A
14.32	Converting Performance Shares					
14.33	Balance at start of period	40,000	-	N/A ⁸	-	-
14.34	a) Decrease through conversion to ordinary securities	(20,000)	-	-	-	-
14.35	b) Decrease through expiry	(20,000)	-	-	-	-
14.36	Total Securities	1,083,558,435	948,365,363		292,022	33,569

⁸ These shares were issued on 27 January 2007 as consideration to farm into the Genorah Patinum project.

		Current period – A\$'000	Previous corresponding period – A\$'000
	Reserves		
14.33	Balance at start of period	(113,396)	(146,976) ¹
14.34	Transfers to/from reserves	51	268
14.35	Movements in reserves due to fluctuations in foreign exchange rates ²	(4,360)	33,312
14.36	Balance at end of period	(117,705)	(113,396)
14.37	Total reserves	(117,705)	(113,396)
	Accumulated losses		
14.38	Balance at start of period	(14,879)	(16,491) ¹
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Loss for the balance	(9,212)	(2,127)
14.42	Movement in accumulated losses due to fluctuations in foreign exchange rates ²	(293)	3,739
14.43	Dividends	-	
14.44	Balance at end of period	(24,384)	(14,879)

¹ opening balance at 1 January 2009 represents the closing balance from Eastern's 31 December 2008 audited accounts converted into Australian Dollars at the USD/AUD foreign exchange rate on 31 December 2008.

² For the current period, this movement arises due to the movements in the USD/AUD exchange rate in the period from 31 December 2009 to 30 June 2010. For the previous corresponding period, this movement arises due to the movements in the USD/AUD exchange rate in the period from 31 December 2008 to 31 December 2009.

Details of aggregate share of profits (losses) of associates and joint venture entities

(equity method)

(under AASB 128: Investments in Associates paragraph Aus 37.1 and AASB 131: Interests in Joint Ventures paragraph Aus 57.3)

Name of associate or joint venture entity	N/A
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Reporting entities percentage holding	N/A
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		Current period - \$A'000	Previous corresponding period - \$A'000
15.1	Profit (loss) before income tax	-	-
15.2	Income tax	-	-
15.3	Profit (loss) after tax	-	-
15.4	Impairment losses	-	-
15.5	Reversals of impairment losses	-	-
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	-	-
15.7	Share of net profit (loss) of associates and joint venture entities	-	-

Control gained over entities having material effect

International Petroleum Limited ("International Petroleum") completed the acquisition of 100% Eastern Petroleum Corporation Limited ("Eastern") on 15 June 2010 ("Acquisition"). Under Australian Accounting Standards (AASB 3 "Business Combinations"), this Acquisition is required to be accounted for as a reverse acquisition. This means that Eastern is treated as the parent entity for accounting purposes although legally it is the subsidiary of International Petroleum.

16.1	Name of entity acquired	International Petroleum Limited
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			\$A'000
16.2	Consolidated profit (loss) after tax of International Petroleum since the date in the current period on which control was acquired		(183)
16.3	Date from which profit (loss) in <i>item 16.2</i> has been calculated	15 June 2010	
16.4	Profit (loss) after tax of International Petroleum for the whole of the previous corresponding period	1 Jul 2008 to 30 June 2009	(1,271)

Loss of control of entities having material effect

17.1	Name of <i>issuer</i> (or <i>group</i>)	N/A
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		\$A'000
17.2	Consolidated profit (loss) after tax of the entity (or <i>group</i>) for the current period to the date of loss of control	N/A
17.3	Date from which the profit (loss) in <i>item 17.2</i> has been calculated	N/A
17.4	Consolidated profit (loss) after tax of the entity (or <i>group</i>) while controlled during the whole of the previous corresponding period	N/A
17.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control	N/A

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss) (<i>item 1.9</i>)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
	N/A	N/A	N/A	Equity accounted	
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
18.2	Total	N/A	N/A	N/A	N/A
18.3	Other material interests			Non equity accounted (i.e. part of <i>item 1.9</i>)	
	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A
18.4	Total	N/A	N/A	N/A	N/A

Reports for industry and geographical segments

In accordance with AASB 8 "Operating Segments", an operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues.

The Consolidated Entity only has one operating segment being exploration for hydrocarbons. Although the Consolidated Entity retains a 10% interest in the South African Tubatse Project, it does not fund, operate or manage this project, and pursuant to the terms of an Asset Sale Agreement entered into with Nkwe Platinum Limited ("NKWE"), \$50 million is due to be paid to the Consolidated Entity for the sale of the remaining 10% interest to NKWE within 30 days of the earlier of:

- the grant of mining rights in respect of the Tubatse Project; and
- XStrata South Africa exercising its option with NKWE such that XStrata South Africa will acquire a 50% interest in the land that is the subject of the Tubatse Project.

If the payment of \$50 million is not made by NKWE when it falls due, NKWE will have no right to acquire the remaining 10% interest in the project.

		Current period - \$A'000			Previous corresponding period - \$A'000		
	Segments	Exploration for Hydrocarbons	Unallocated items	Total	Exploration for Hydrocarbons	Unallocated items	Total
19.1	Revenue:						
	External sales	-	368	368	-	398	398
19.2	Interest received and other income	-	43	43	-	11	11
19.3	Total segment revenue	-	411	411	-	409	409
19.4	Segment net operating loss after tax	(2,044)	(7,168)	(9,212)	(2,536)	409	(2,127)
19.5	Separately disclosable items within operating loss:						
	Excess purchase consideration written off		(7,579)	(7,579)	-	-	-
19.6	Segment assets	89,317	37,800	127,117	48,537	-	48,537
19.7	Investments in associates	-	-	-	-	-	-
19.8	Capitalised expenditure	45,689	37,800	83,489	42,063	-	42,063

		Current period - \$A'000			Previous corresponding period - \$A'000		
	Segments	Exploration for Hydrocarbons	Unallocated items	Total	Exploration for Hydrocarbons	Unallocated items	Total
	Other assets	43,628	-	43,628	6,294	-	6,294
19.9	Total assets	89,317	37,800	127,117	48,537	-	48,537
19.10	Segment liabilities	(2,070)	(7,887)	(9,957)	(27,757)	-	(27,757)
19.11	Cash flow information						
19.12	Net cash outflow from operating activities	(2,756)	-	(2,756)	(4,015)	-	(4,015)
19.13	Net cash outflow from investing activities	4,718	-	4,718	(13,568)	-	(13,568)
19.4	Net cash inflow from financing activities	32,238	-	32,238	17,839	-	17,839

NTA Backing

20.1		Current period	Previous corresponding period
	Net tangible asset backing per ordinary security	3.55 cents	(3.66 cents)

¹ based on the number of International Petroleum Limited shares on issue as at 30 June 2010

² based on the number of Eastern Petroleum Corporation Limited shares on issue as at 31 December 2009

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

21.1	<p>International Petroleum completed the acquisition of 100% of Eastern on 15 June 2010 ("Acquisition"). The consideration for the Acquisition was the issue of 675,965,358 ordinary shares and 135,193,072 unlisted options with an expiry date of 30 June 2012 and an exercise price of \$0.25.</p> <p>During the current period and prior to the Acquisition, a convertible loan note valued at approximately US\$19.7 million was converted into equity in Eastern. There was a nil cash impact on conversion.</p>
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International Financial Reporting Standards

Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.

22.1	N/A
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Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.

22.2	N/A
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Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for available for sale investments, which have been measured at fair value.

The financial report is presented in Australian dollars.

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

On 15 June 2010, International Petroleum Limited ("International Petroleum" or the "Company") completed the acquisition of 100% of Eastern Petroleum Corporation Limited ("Eastern"). Under the terms of AASB 3 "Business Combinations", Eastern was deemed to be the accounting acquirer in the business combination. Consequently, the transaction has been accounted for as a reverse acquisition.

The financial report for the Consolidated Entity has been prepared as a continuation of the business and operations of Eastern. Eastern, as the deemed acquirer, has accounted for the acquisition of International Petroleum from 15 June 2010. The comparative information for the Consolidated Entity presented in the financial statements is that of Eastern.

The financial year end of Eastern is 31 December. The last audited financial statements for Eastern are for the year ended 31 December 2009. The financial year end of International Petroleum is 30 June. The last audited financial statements for International Petroleum are for the year ended 30 June 2009.

The financial report for the Consolidated Entity for the current period represents the accounting period from the last year end of Eastern, 31 December 2009, to 30 June 2010.

The implications of the application of AASB 3 on this financial report are as follows:

Consolidated income statement

- The consolidated income statement for the current period comprises 6 months of Eastern from 1 January 2010 to 30 June 2010 and 15 days of International Petroleum from 15 June 2010 to 30 June 2010.
- The consolidated income statement for the previous corresponding period comprises 12 months of Eastern from 1 January 2009 to 31 December 2009.

Consolidated statement of financial position

- The consolidated statement of financial position as at 30 June 2010 represents the consolidation of International Petroleum and Eastern.
- The comparative consolidated statement of financial position represents that of Eastern as at 31 December 2009.

Consolidated statement of changes in equity

The consolidated statement of changes in equity for the current period comprises:

- The equity balance of Eastern at the beginning of the period, 1 January 2010,
- The total income and transactions with equity holders for the period to 30 June 2010, being 6 months of Eastern and 15 days of International Petroleum, and
- The consolidated equity balance of Eastern and International Petroleum as at 30 June 2010.

The consolidated statement of changes in equity for the previous corresponding period comprises 12 months of Eastern from 1 January 2009 to 31 December 2009.

Consolidated statement of cash flows

The consolidated statement of cash flows for the current period comprises:

- The cash balance of Eastern at the beginning of the period, 1 January 2010,
- The transactions for the period ended 30 June 2010, being 6 months of Eastern and 15 days of International Petroleum, and
- The consolidated cash balance of Eastern and International Petroleum as at 30 June 2010.

The consolidated statement of cash flow for the previous corresponding period comprises 12 months of Eastern from 1 January 2009 to 31 December 2009.

Subsequent Events

Subsequent to 30 June 2010, the Board of Directors resolved to change the year-end of International Petroleum Limited to 31 December so that it is aligned with the year-end of Eastern Petroleum Corporation Limited.

On 3 September 2010, International Petroleum Limited was de-listed from ASX at the request of the Company.

No other event has arisen between 30 June 2010 and the date of this report (13 September 2010) that would be likely to materially affect the operations of the Consolidated Entity or its state of affairs which have not otherwise been disclosed in this financial report.

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

Nil

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year
N/A – no prospect for paying fully or partly franked dividends for at least the next year.

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

Nil

An *issuer* shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. (as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)

NIL

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year (as per paragraph 16(d) of AASB 134: Interim Financial Reporting)

NIL

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report (as per paragraph 16(j) of AASB 134: Interim Financial Reporting)

Contingent Assets

On 4 October 2009, International Petroleum entered into an asset sale agreement with Nkwe Platinum Limited ("NKWE") to sell its 15% interest in the South African Tubatse Platinum Project for \$60 million.

Under the asset sale agreement:

- \$10 million was due to be paid to the Company within 5 days of it obtaining shareholder approval. These funds have been paid to the Company which entitles NKWE to a 5% interest in the Tubatse project.
- \$50 million is due to be paid to the Company within 30 days of the earlier of:
 - the grant of mining rights in respect of the Tubatse Project; and
 - XStrata South Africa exercising its option with NKWE such that XStrata South Africa will acquire a 50% interest in the land that is the subject of the Tubatse Project.
- If the payment of \$50 million is not made by NKWE when it falls due, NKWE will have no right to acquire the remaining 10% interest in the project.

The amount owing of \$50 million has not been recorded as a receivable by the Company because it is considered to be a contingent asset.

Contingent Liabilities

Eastern's wholly owned subsidiary, North Caspian Petroleum Limited ("NCPL") operates and owns a 50% interest in subsoil use rights for the exploration of hydrocarbons in an early stage project in eastern and south eastern Kazakhstan ("Kazakhstan Project"). The remaining 50% interest is owned by Remas Corporation LLP ("Remas"), a privately owned Kazakhstan company.

Each of Remas and NCPL hold a 50% participating interest pursuant to a Contract for Exploration of Hydrocarbon Resources in the Alakol Block in East Kazakhstan and Almaty Oblasts of the Republic of Kazakhstan between the Ministry of Energy and Mineral Resources of the Republic of Kazakhstan ("MEMR"), Remas and NCPL ("Contract")

The Contract requires the minimum expenditure on the exploration licence of US\$35,284,000 during the initial five year period expiring on 13 June 2010 ("Initial Period"). This Initial Period has since been extended to 13 November 2010.

Pursuant to the terms of a Joint Operating Agreement between Remas and NCPL, NCPL has agreed to solely fund the minimum expenditure on the exploration licence. As at 31 December 2009, NCPL had spent approximately US\$31,754,000 towards this minimum expenditure. Additional work to be completed under the Minimum Work Program includes the acquisition and processing of an additional 700kms of seismic data and the drilling of at least 3 further wells. On fulfilment of the Minimum Work Program, each of NCPL and Remas are required to fund their share of exploration and development costs in accordance with their respective participating interests.

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence (as per paragraph 16(c) of AASB 134: Interim Financial Reporting)

NIL

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations (as per paragraph 16(i) of AASB 134: *Interim Financial Reporting*)

International Petroleum completed the acquisition of 100% of Eastern on 15 June 2010 ("Acquisition"). Under Australian Accounting Standards (AASB 3 "Business Combinations"), this Acquisition is required to be accounted for as a reverse acquisition. This means that Eastern is treated as the parent entity for accounting purposes although legally it is the subsidiary of International Petroleum.

The consideration for the Acquisition was the issue of 675,965,358 International Petroleum ordinary shares and 135,193,072 unlisted International Petroleum options with an expiry date of 30 June 2012 and an exercise price of \$0.25.

Annual meeting

The annual meeting will be held as follows:

Place	Function Centre Kailis Bros Fish Market and Café 101 Oxford Street, Leederville, Western Australia 6007
Date	25 November
Time	To be confirmed
Approximate date the annual report will be available	Statutory financial statements to be lodged on NSX Platform on or around 30 September 2010. Annual Report to be despatched to shareholders on or around 25 October 2010.

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used	N/A
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2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

<input type="checkbox"/> The financial statements have been audited.	<input type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent).
<input checked="" type="checkbox"/> The financial statements are in the process of being audited or subject to review.	<input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed.

5. The accounts are in the process of being audited. Consequently, the audit report is not attached. Details of any audit report qualifications will be published as soon as they are available.
6. As at 30 June 2010 International Petroleum Limited had a formally constituted audit committee comprising 2 non executive directors.

Sign here:
(*Director/Company secretary*)

Date:

Print name: