

NSX Announcement
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Drilling of Well A-3 begins at Alakol Exploration Project, Kazakhstan

International Petroleum Limited (**NSX: IOP**) ("**International Petroleum**" or the "**Company**"), an oil and gas exploration company with assets in Kazakhstan and Russia is pleased to announce that it has now commenced drilling Well A-3. This well has a planned target depth of 2,600 meters to investigate the Paleozoic formation.

Well A-3 is the third well to be drilled in the Alakol licence area and is located to the north side of Alakol Lake, 74 kilometers from Well A-2, on a different structure in the Paleozoic. Artesian wells in the area near Well A-3 are associated with oil seeps and films of oil proving the Alakol Basin has generated hydrocarbons. Seismic data indicates that potential Paleozoic reservoirs are present below a capping volcanic seal.

The drilling rig was released earlier than planned from Well A-2 in November 2010 due to high velocity winds. Well A-3 is located outside the Junggar Gate where high winds are not a factor. Upon completion of drilling at Well A-3, the rig will return to Well A-2 to complete drilling at that location, by which time the wind speed will have subsided.

Yours faithfully

Tony Sage
Non-Executive Chairman

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About International Petroleum

International Petroleum Limited ("**International Petroleum**" or the "**Company**") is an oil and gas exploration company.

The Company is listed on the National Stock Exchange of Australia ("**NSX**") (**NSX: IOP**).

The Company's key asset is its 50% interest in an early stage project in eastern and south eastern Kazakhstan (**Kazakhstan Project**). The Kazakhstan Project covers 32,865 km² in eastern Kazakhstan and borders the western boundary of the People's Republic of China. International Petroleum's subsidiary company, North Caspian Petroleum Limited, has exclusive exploration rights to the Kazakhstan Project until November 2012.

Whilst the Company is focused on exploration at its Kazakhstan Project, it intends to review nearby or similar provinces for potential opportunities. In October 2010, the Company took the first step towards expanding its exploration acreage through the acquisition of an indirect 75% equity interest in a Russian company, Irtysh-Neft which holds license rights to explore four blocks covering a total area of 1,467 sq km, located in the Khanty-Mansiisk Region in Western Siberia (**Krasnoleninskiy Blocks**) – the largest oil producing region of Russia.