

NSX Announcement  
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## **Discovery of second oilfield at Krasnoleninskiy Project**

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 update the market on the discovery of a second oilfield at its Krasnoleninskiy Project in Western Siberia.

On 5 August 2011, the Company announced that it had discovered an oilfield during testing of Well No. 2 at the Krasnoleninskiy project in Khanty-Mansiysk Autonomous Region of Russia (the "**Krasnoleninskiy Project**"), where International Petroleum has a 75 per cent interest. Oil commerciality was established in the J4 formation at the interval between 2,740 metres and 2,745 metres of Well No. 2, from which an unstimulated daily inflow of 6 cubic meters of oil was recorded. Using the data from this test, the Company has estimated oil flow rates after hydraulic fracturing to be 202 barrels per day (low case), 419 barrels per day (base case), and 508 barrels per day (high case) from this interval only.

Yesterday, the Company discovered an oilfield during testing of Well No. 1 at the Krasnoleninskiy Project. Oil commerciality was established in the J2-3 formation at the interval between 2,647 metres and 2,665.5 metres of Well No. 1, from which an unstimulated daily inflow of 5.5 cubic metres of oil was recorded.

The Company continues to test other prospective intervals in both Well No. 1 and Well No. 2 and expects to complete the testing programme by the end of September 2011.

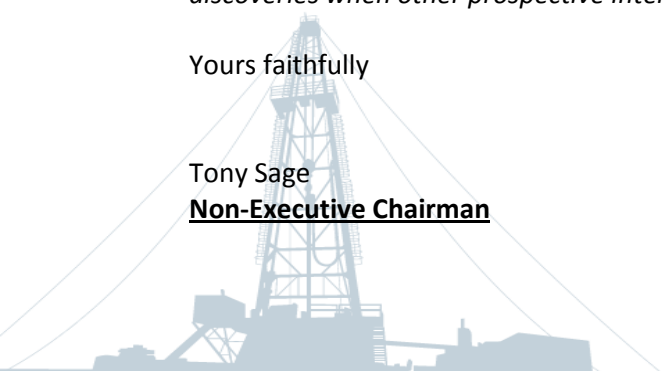
International Petroleum plans to conduct a stimulation programme in these two wells in January 2012 and commence oil production thereafter.

The Company intends to issue a reserve report for the Krasnoleninskiy Project in accordance with the industry standard SPE-PRMS standards by the end of December 2011.

Chris Hopkinson, International Petroleum CEO said *"Given that oil that was seen in the core and electrical logs in several intervals in the two wells that we have drilled at the Krasnoleninskiy Project, the discovery of oilfields in both wells confirms our initial analysis and we expect to build on this success with further discoveries when other prospective intervals in Well No. 1 and Well No. 2 have been tested."*

Yours faithfully

Tony Sage  
**Non-Executive Chairman**



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### About International Petroleum

International Petroleum is an oil and gas exploration company.

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

The Company owns a 75% equity interest in the exploration rights to four blocks in Western Siberia. The four blocks comprising the Krasnoleninskiy Project cover a total area of 1,467 km<sup>2</sup> and are located in the Khanty-Mansiysk Autonomous Region in Western Siberia, the largest oil-producing region of Russia.

In August 2011, the Company signed a Share Purchase Agreement to acquire 100% of the shares in Vamaro Investments Limited ("**Vamaro**") with its current shareholder. Vamaro owns two licences for geological study of subsoil, prospecting and extraction of oil and gas in the Khanty-Mansiysk Autonomous Region in Western Siberia (the "**Vamarov Project**").

The Company also owns a 50% interest in an early stage project covering 24,649 km<sup>2</sup> in eastern and south eastern Kazakhstan ("**Kazakhstan Project**"), which 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 projects in Russia and Kazakhstan, it continues to evaluate other projects for potential acquisition.