

# Corporate Presentation

November 2011



# Agenda

- Assets at a Glance
- Recent Developments
- Corporate Overview
- Institutional Investors
- Assets Overview
  - Krasnoleninsky Project (Russia)
  - Vamarov Project (Russia)
  - Druzhny Project (Russia)
  - Alakol Project (Kazakhstan)
- Development Plan Timetable
- Future M&A plans
- Conclusions

# Assets at a Glance

## Russia

- 1 **Krasnoleninsky Project (Russia, KhMAO, Western Siberia)**  
75% equity interest in the exploration rights to four blocks  
2 discoveries in 2011
- 2 **Vamarov Project (Russia, KhMAO, Western Siberia)**  
100% interest in the Vamarov Project (Zapadno-Novomolodezhny and Yuzhno-Sardakovsky fields)
- 3 **Druzhny Project (Russia, Tomsk region)**  
MOU to acquire a 75% interest in the Druzhny Project, which comprises one licence block

## Kazakhstan

- 4 **Alakol Project**  
50% interest in an early stage exploration project in Kazakhstan

## Asset Location Map

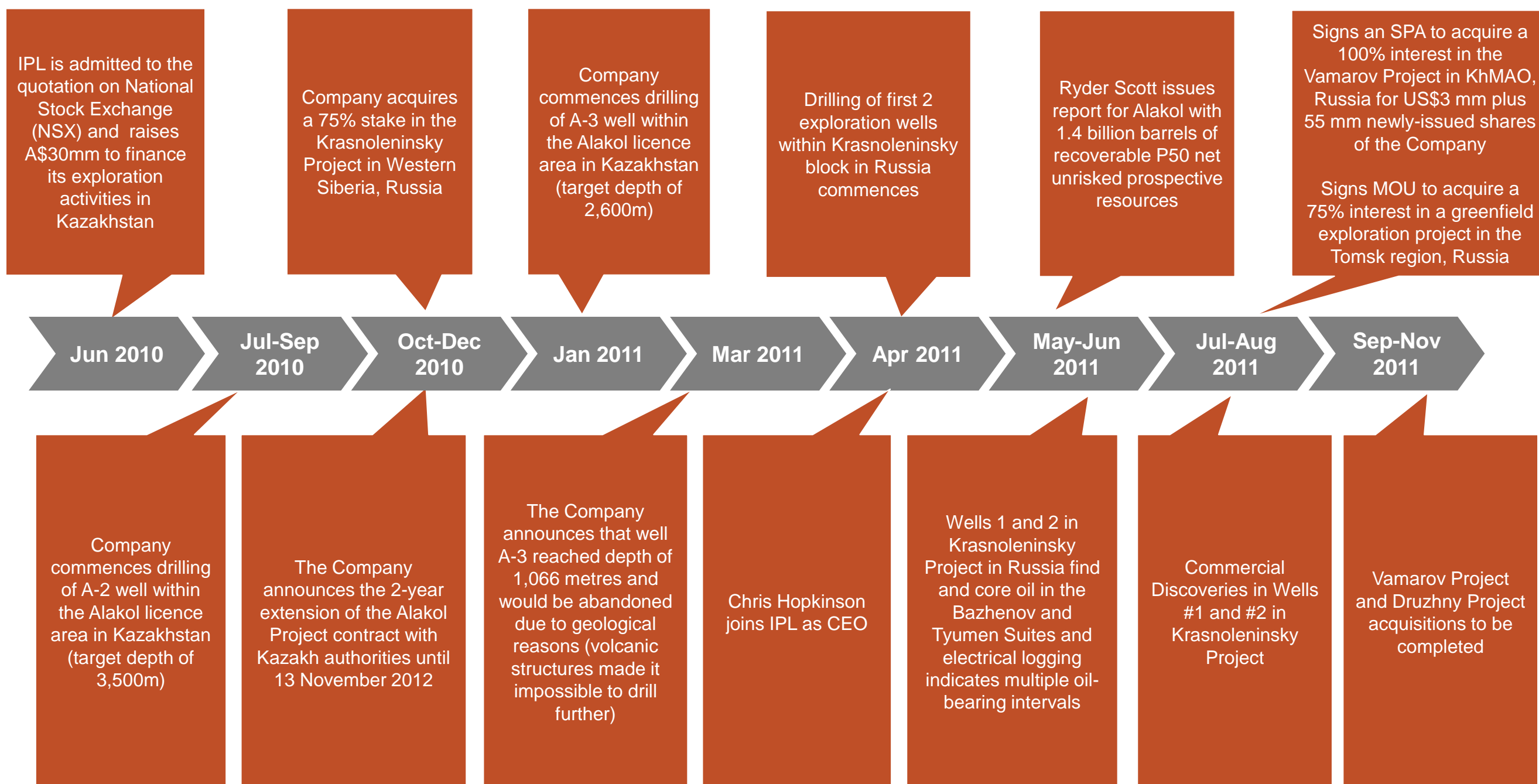


## Assets Summary

Project	Stake	Gross reserves/resources	Production start
Krasnoleninsky	75%	Unrisked prospective resources of 260 mmboe	Jan 2012
Vamarov	100%	2P reserves of 55 mmboe	Dec 2011
Druzhny	75%	D2 resources of 41 mmboe (Russian classification)	TBD
Alakol	50%	Unrisked prospective resources of 1,38 bn boe	TBD

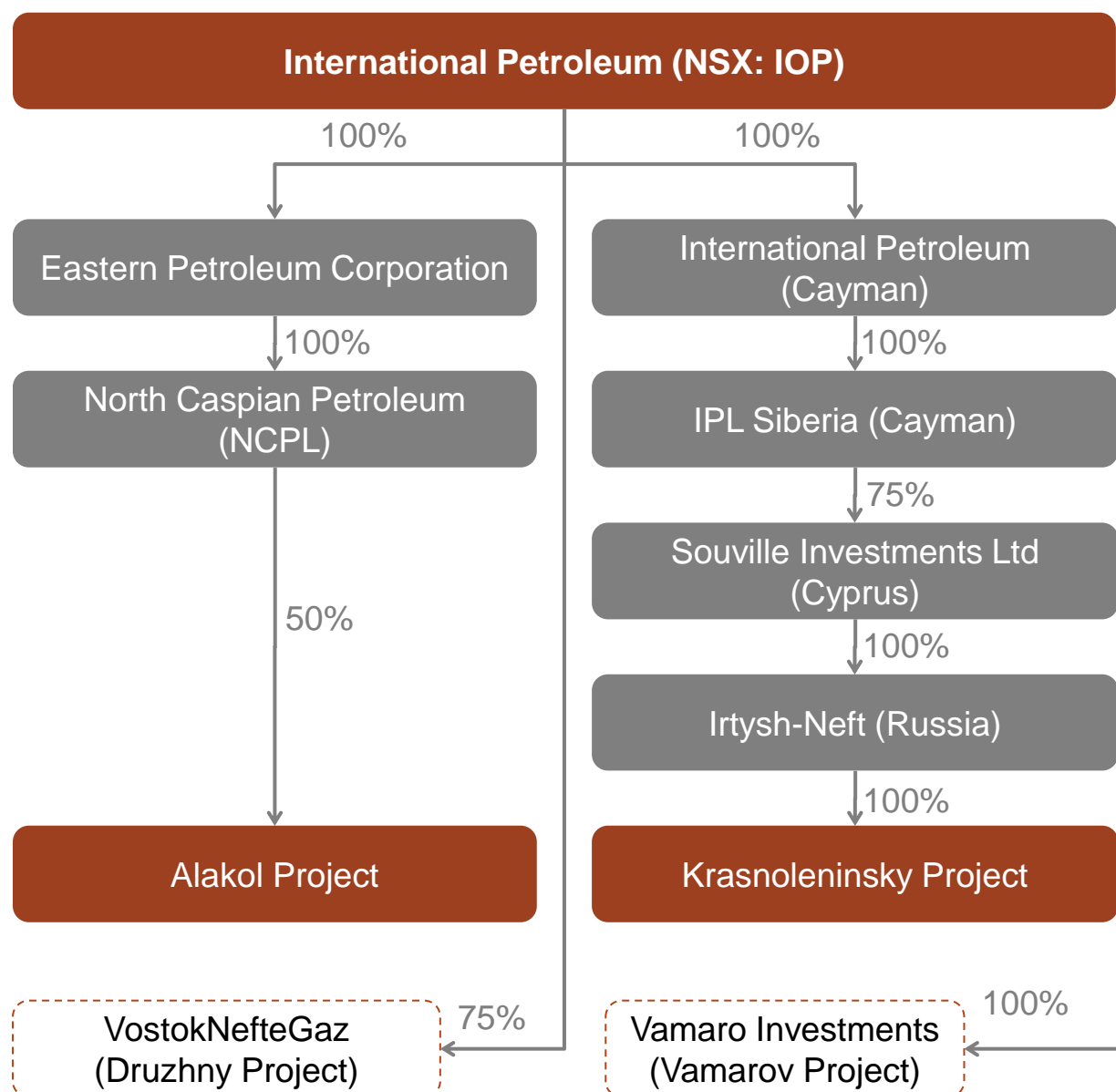
Source: Company's data

# Recent Developments



# Corporate Overview

## Organisation chart



Source: Company's data

## Shareholders

**Shares on Issue** **948,865,364**

Unlisted options (granted to employees and private shareholders)

Exp 30 Jun 2012 at \$0.25 135,193,072

Exp 1 Jun 2014 at \$0.30 200,000

Exp 16 Nov 2015 at \$0.30 8,000,000

Exp 17 Mar 2016 at \$0.25 6,000,000

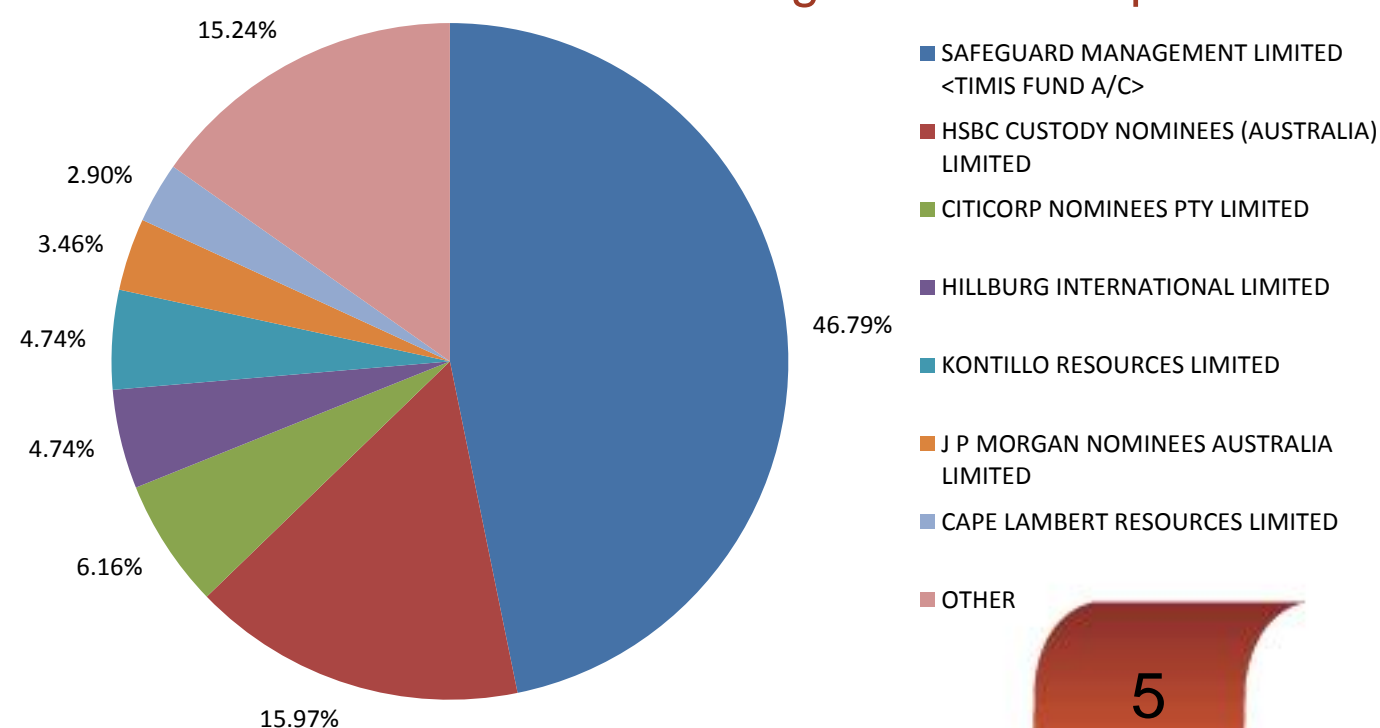
Exp 15 Apr 2016 at \$0.25 3,000,000

Exp 1 Jun 2016 at \$0.25 18,000,000

Exp 8 Aug 2016 at \$0.25 3,000,000

**Fully Diluted** **1,122,258,436**

## Shareholdings as at 21 Sept 2011



# Institutional Investors

amiyacapital

BLACKROCK

 Capital Group<sup>®</sup>  
Companies

CD|capital

ETON PARK CAPITAL MANAGEMENT

Henderson  
GLOBAL INVESTORS

J.P.Morgan

M&G  
INVESTMENTS

NORTH OF SOUTH CAPITAL

RAB CAPITAL



# Krasnoleninsky Project

## General overview

- 4 blocks in Khanty-Mansiysk Autonomous Region in Western Siberia
- Close proximity to the large Kamennoye and Priobskoye fields
- Free carry for joint venture partner on the first four wells

## Reserves/Resources

- P90, P50 and P10 unrisked prospective resources estimated at 169, 260 and 385 mmbbl, respectively (Ryder Scott, 12 May 2011)
- New Ryder Scott report expected by the end of 2011

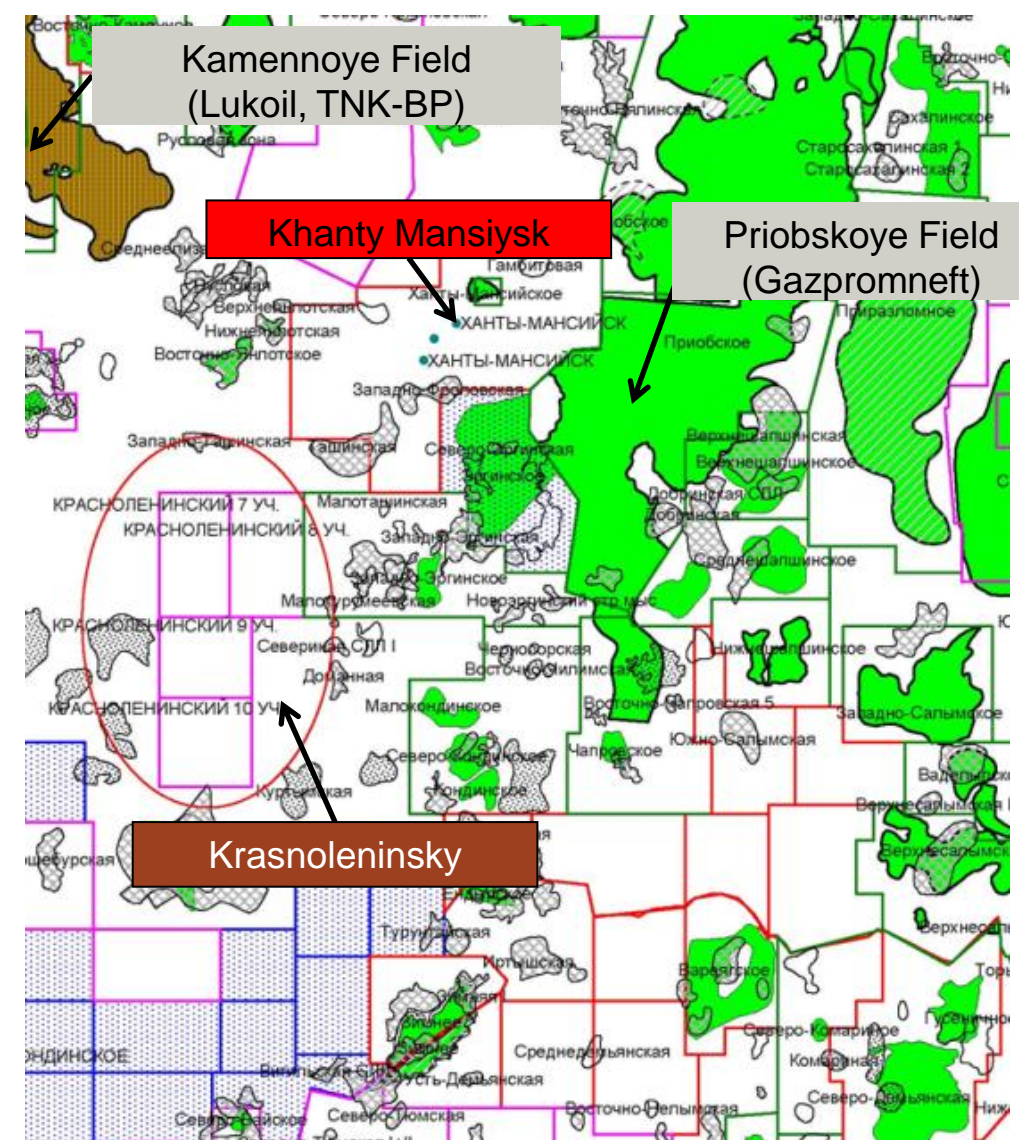
## Infrastructure

- Transneft's trunk oil pipeline within 100 km south of blocks
- Transport oil by trucks during winter before the connection with Transneft pipeline is established,

## Current status

- Well #1 and Well #2 drilled in April-May 2011
- **Well #1: oil commerciality established in the J2-3 formation**
- **Well #2: oil commerciality established in the J4 formation**
- Fraccking planned for January 2012 and oil production thereafter
- Wells #3 and #4 expected to be drilled in 1H2012

## Location Map





# Vamarov Project

## General overview

- 100% interest in the Project (Zapadno-Novomolodezhny and Yuzhno-Sardakovsky fields in the Khanty-Mansiysk region of Western Siberia)
- Consideration: US\$3 million cash and the issue of 55 million IPL shares

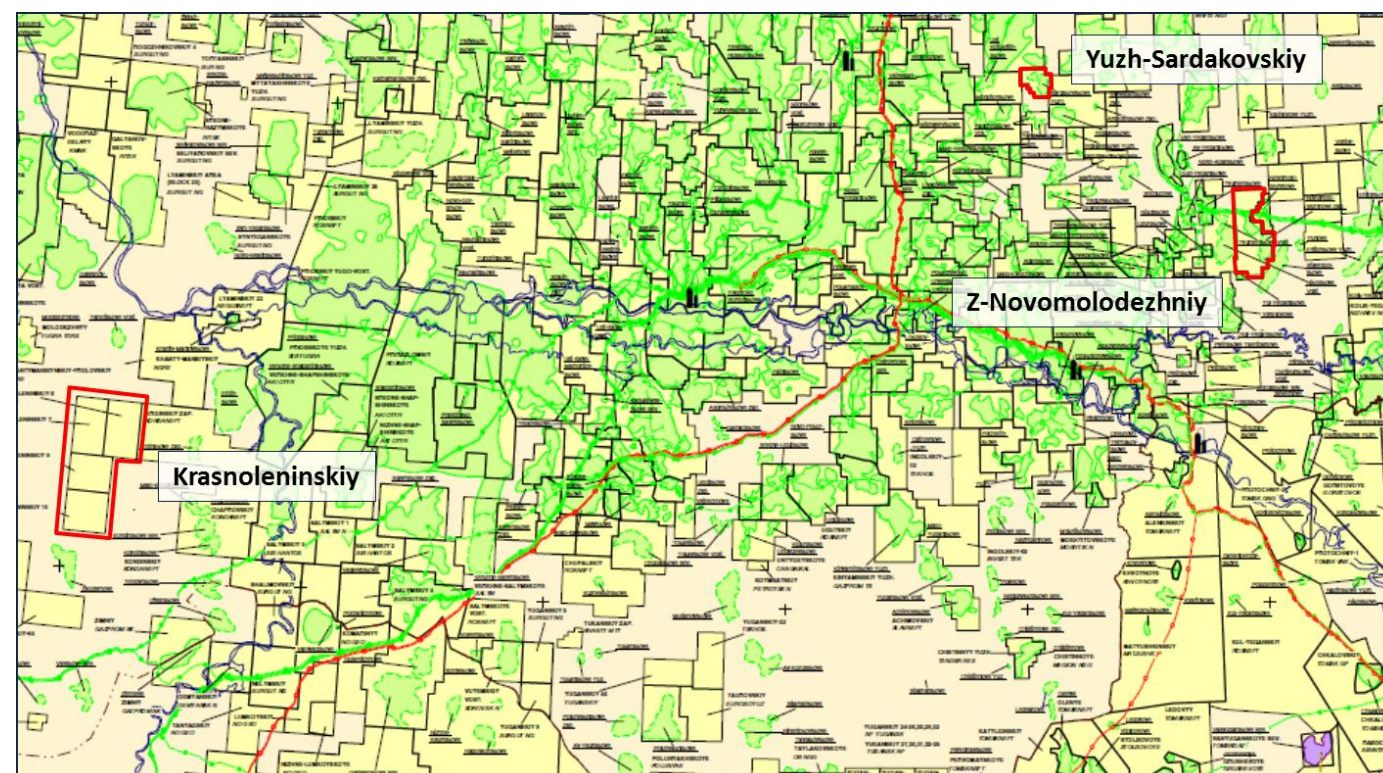
## Reserves/Resources

- Ryder Scott to be engaged for auditing internal base-case
- The reserve report expected by the end of 2011

## Current status

- **Zapadno-Novomolodezhny:** 13 wells drilled and currently evaluating well candidates to work over and bring onto production in 4Q2011
- Intra-field pipelines and production facilities
- Year-round access by an all-weather road
- 3 wells to be put in operation in by end of 2011
- **Yuzhno-Sardakovsky:** 6 production wells
- 15 km from oilfield treatment and transport facilities. Candidate wells for work-over and stimulation are being assessed
- 4 wells to be put in operation in Jan-Apr 2012

## Location Map



## Reserves, mmboe

	Zapadno-Novomolodezhny		Yuzhno-Sardakovsky		Total	
	Original oil in place	Remaining reserves	Original oil in place	Remaining reserves	Original oil in place	Remaining reserves
Low case	61.1	17.1	65.3	15.0	126.4	32.0
Base case	64.7	18.0	151.4	36.6	216.1	54.6
High case	191.0	53.1	266.8	65.6	457.9	118.7

Source: Company's estimates



# Druzhny Project

## General overview

- Acquisition of 75% of OOO VostokNefteGaz, which holds an exploration licence in the Tomsk region of Western Siberia
- 5-year exploration licence expires in October 2015
- Consideration: issuance of 6,666,667 shares in IPL and a commitment to fund all of the exploration work necessary to fulfill the minimum work programme

## Growth Potential

- Local Administration fully support IPL's buy into the Project
- Access to data on available producing licence blocks on the left bank of the Ob River
- Excellent relations with Governor and local service companies
- Expect to acquire additional assets in the Tomsk region in 1Q2012

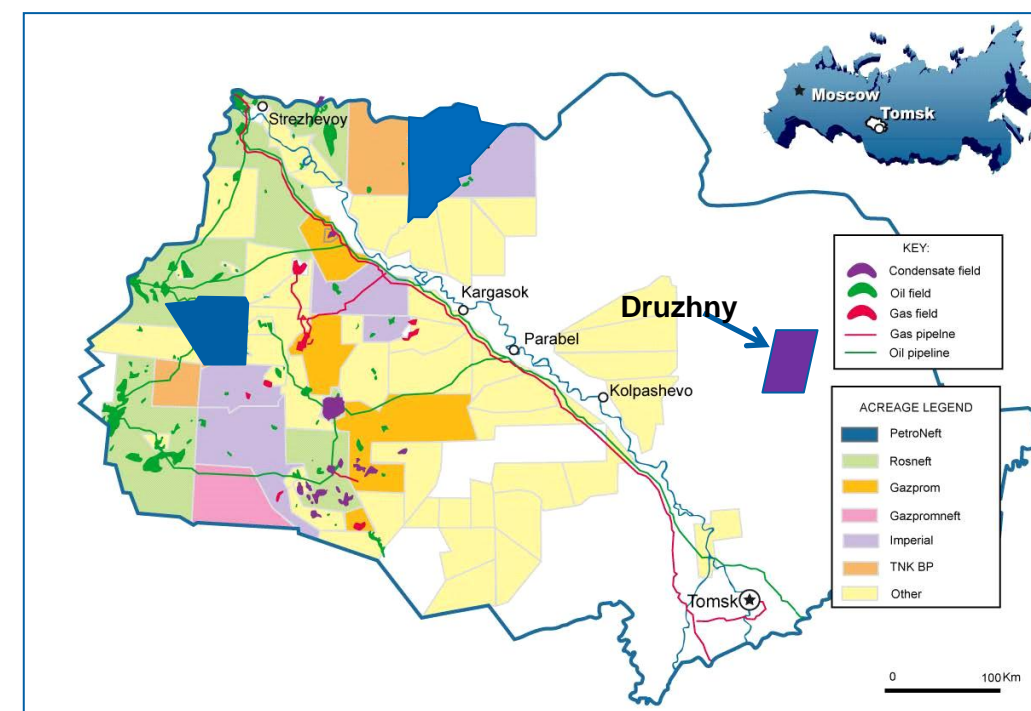
## Reserves/Resources

- Exploration programme to be devised once 2D seismic data has been interpreted
- D2 resources based on the Russian classification were 5.6 million tonnes (41 million bbls) at 1 January 2002

## Current status

- Acquisition to be completed in November 2011 and 1,000 km of 2D seismic surveys planned for 2011/2012 winter season

## Location Map



## Minimum work programme

Commitment	To be fulfilled by
Develop, negotiate and obtain the approval of the programme of exploration and appraisal work	October 2011
Carry out at least 1,000 line km of 2D seismic survey	October 2012
Carry out at least 2,000 line km of 2D seismic survey (including 1,000 line km to be done by October 2012)	October 2013
Commence drilling of the first exploration well	October 2014
Complete drilling of at least three exploration wells	October 2015
Implement a full program of exploration and appraisal of hydrocarbon reserves in line with the programme of exploration and appraisal work	October 2015

Source: Company's data

# Alakol Project

## General overview

- 50% interest in Alakol Project, South-Eastern Kazakhstan
- Proximity to the multi-billion barrel Junggar-Karamay Fields in China
- 12 drillable prospects
- Exploration contract until November 2012
- The Company is the operator of the project

## Reserves/Resources

- Recoverable oil P50 unrisked prospective resources are estimated at 1.38 bn bbl (Ryder Scott, dated 6 June 2011)

## Infrastructure

- Existing rail and pipeline infrastructure
- Strategic location across an oil pipeline into NW China
- Tank farm and refinery facilities commissioned in 2009 in Alakol Basin

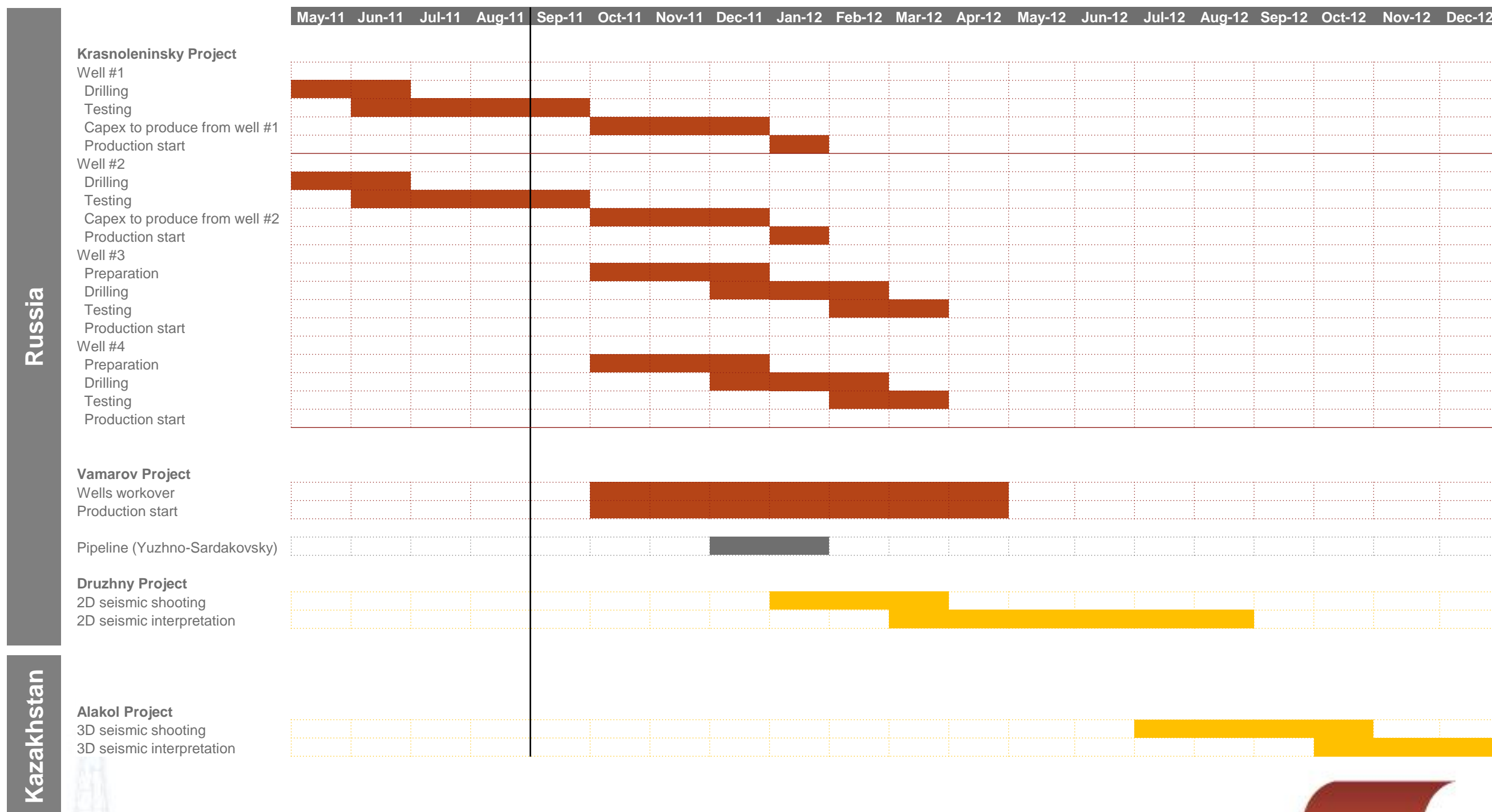
## Current status

- 4 exploration wells drilled to date
- Recently drilled Well A-8 and tested two zones with reservoir-quality sands
- 500 km<sup>2</sup> 3D seismic study planned in 2H2012

Location Map



# Development Plan Timetable<sup>[1]</sup>



[1] subject to receiving the proceeds from the sale of the Tubatse stake and commencement of oil production at the Vamarov and Krasnoleninsky Projects

# Future M&A plans

- Following acquisition of the Druzhny Project in Tomsk region and given the Company has a good relationship with the local government of the Tomsk region, the Company believes it will be able to acquire further exploration and producing assets in the region over the next 12 months
- The Company is also actively looking for attractive exploration and development opportunities in Russia (particularly, in Khanty-Mansiysk Autonomous Region) and expects possible acquisitions over the next 12 months
- The Company is currently actively pursuing opportunities in West Africa



# Conclusions

- International Petroleum is an NSX-listed company with:
  - **Discovered oil with exploration upside in the Krasnoleninsky Project in the centre of Russia's main oil region, production is expected in early 2012**
  - **The Vamarov Project has proved reserves, infrastructure and potential for production start up in 2011**
  - **The Druzhny Project is an exploration play, which shall allow for acquisition of reserves and production in the main oil basin of the Tomsk region. There are currently a number of licences available and the local administration is supportive**
  - **Potential reservoir rocks have been penetrated in Well A-8 in Alakol but with no hydrocarbons. IPL intends to acquire 3D seismic before continuing with the drilling programme**
- The Company has significant and growing resource base with upside potential
- Production is targeted to commence in 2011 with ramp up coming from 2013
- Management team with many years of experience and successful track record in similar projects places International Petroleum in excellent position for development and production from existing and new projects

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