

NSX Announcement
6 February 2012

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NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES OR ELSEWHERE OUTSIDE AUSTRALIA.

Placement of Shares Raising A\$33million Completed

Further to its announcement on 31 January 2012, International Petroleum Limited (**NSX: IOP**) ("**International Petroleum**" or the "**Company**"), an oil and gas exploration company with assets in Russia and Kazakhstan, is pleased to announce that has completed a placement to institutions and sophisticated investors of 165,730,000 fully paid ordinary shares ("**Shares**") at an issue price of A\$ 0.20 per Share raising A\$33,146,000 before costs (the "**Placement**").

Attached is an Application for Quotation of the Shares issued pursuant to the Placement. The Shares are part of a class of securities quoted on the National Stock Exchange of Australia.

The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act.

The Shares were issued without disclosure to the recipient under Part 6D.2, in reliance on Section 708A(5)(e) of the Corporations Act.

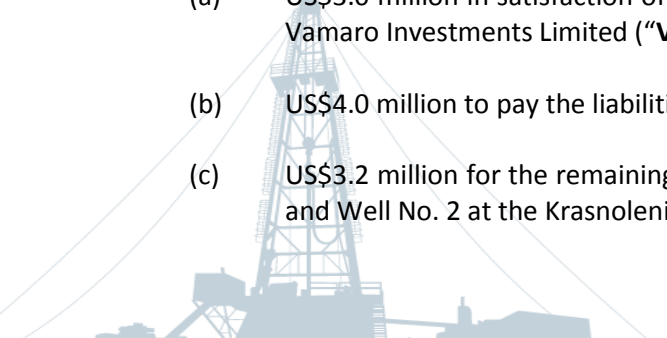
The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act; and
- (b) Section 674 of the Corporations Act.

There is no excluded information for the purposes of Section 708A(7) and (8) of the Corporations Act.

The Company intends to use the net proceeds raised from the Placement after costs (totalling approximately A\$31.8 million) as follows:

- (a) US\$3.0 million in satisfaction of the cash consideration payment to the seller for the acquisition of Vamaro Investments Limited ("**Vamaro**") (refer to NSX Announcement dated 15 August 2011);
- (b) US\$4.0 million to pay the liabilities of Vamaro;
- (c) US\$3.2 million for the remaining exploration and testing costs and costs of working over Well No.1 and Well No. 2 at the Krasnoleninsky Project in order to put them on production;



- (d) US\$1.0 million for the remaining costs of Well A-8 at the Alakol Project;
- (e) US\$16.5m for the construction of pipeline and infrastructure, the work-over of existing wells and initial costs towards drilling new exploration wells at the Vamarov Project; and
- (f) the remainder towards capital and operating expenditures and general working capital.

Yours faithfully

Tony Sage

Non-Executive Chairman

This announcement has been prepared for publication in Australia and is not for publication or distribution, directly or indirectly, in the United States. This announcement does not constitute or form part of an offer of securities for sale or solicitation of an offer to purchase securities in the United States or in any other jurisdiction where such offer may be restricted. The securities referred to in this announcement have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States, except on the basis of an applicable exemption from registration or in a transaction not subject to the registration requirements of the Securities Act. There will be no public offering of securities in any other jurisdiction.

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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 has established a sponsored Level 1 American Depositary Receipt ("**ADR**") program with BNY Mellon and the ADR is quoted on OTCQX International (**OTCQX: ITPLY**).

The Company owns a 75% equity interest in the exploration rights to four blocks, covering a total area of 1,467 km², located in the Khanty-Mansiysk Autonomous Region in Western Siberia, the largest oil-producing region of Russia in Western Siberia (the "**Krasnoleninsky Project**"). During 2011, the Company drilled two exploration wells in the Krasnoleninsky Project and discovered commercial quantities of oil in both wells.

The Company owns a 75% equity interest in an exploration licence in the Tomsk region of Western Siberia (the “**Tomsk Exploration Licence**” or the “**Druzhny Project**”).

The Company also owns a 50% interest in an early stage project covering 24,649 km² 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.

In August 2011, the Company signed a Share Purchase Agreement to acquire 100% of the shares of 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**”). Completion of the acquisition of Vamaro is expected to occur by the end of February 2012.

Whilst the Company is focused on exploration at its existing projects in Russia and Kazakhstan, it continues to review other companies and areas, such as Russia and Africa, for opportunities to acquire additional exploration and/or production projects.

* * *



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Application for Quotation of Additional Securities

File Reference:

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Introduction

To ensure the efficient processing of this form by NSX, please:

1. Adhere to the suggested number of the annexures required by this form.
2. Complete **all** statements and questions in this form. (NSX can provide an electronic version of this form on request).

More Information and Submission of Form:

Further information can be obtained from and all applications should be sent to:

General Manager
National Stock Exchange of Australia Limited
PO BOX 283
Newcastle NSW 2300

Phone: 61 2 4929 6377

Fax: 61 2 4929 1556

<http://www.nsga.com.au>



New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to NSX as soon as available. Information and documents given to NSX become NSX's property and may be made public.

Introduced 11 March 2004.

Name of entity

International Petroleum Limited

ABN/ACN

76 118 108 615

We (the entity) give NSX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | |
|---|-----------------------------|
| 1 Class of securities issued or to be issued | Fully Paid Ordinary Shares. |
| 2 Number of securities issued or to be issued (if known) or maximum number which may be issued | 165,730,000 |
| 3 Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares. |
| 4 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?

If the additional securities do not rank equally, please state: <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Yes |





5	Issue price or consideration	\$0.20 per Share.	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Share placement to sophisticated investors and institutions.	
7	Dates of entering securities into uncertificated holdings or despatch of certificates	6 February 2012	
8	Number and class of all securities quoted on NSX (including the securities in clause 2 if applicable)	Number	Class
		1,121,262,031	Fully paid ordinary shares

■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the securities will be offered	
14	Class of securities to which the offer relates	
15	Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	

-

You need only complete this section if you are applying for quotation of securities

(a) ☒ Securities described in Part 1

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Additional securities forming a new class of securities

35  If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders

36  If the securities are equity securities, a distribution schedule of the additional securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 ☐ A copy of any trust deed for the additional securities

Entities that have ticked box 34(b)

38 Number of securities for which quotation is sought

39 Class of securities for which quotation is sought

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[illegible]

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

[illegible]

(if issued upon conversion of another security, clearly identify that other security)

Number	Class

Quotation agreement

1 Quotation of our additional securities is in NSX's absolute discretion. NSX may quote the securities on any conditions it decides.

2 We warrant the following to NSX.

- The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those securities should not be granted quotation.
- An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided at the time that we request that the securities be quoted.
- If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.

3 We will indemnify NSX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give NSX the information and documents required by this form. If any information or document not available now, will give it to NSX before quotation of the securities begins. We acknowledge that NSX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date:06/02/2012.....
(Company secretary)

Print name:Claire Tolcon.....