

FORM: 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 31 December 2011

International Petroleum Limited (“International Petroleum” or the “Company”) changed its year-end to 31 December in 2010. The results for the current period are for the year ended 31 December 2011. The results for the comparative period are for the 6 months ended 31 December 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 17).

\$US'000				
Revenue (item 1.1)	down	74%	to	123
Loss for the period (item 1.5)	up	312%	to	(27,464)
Loss for the period attributable to security holders (item 1.9)	up	301%	to	(26,761)
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

CORPORATE

Director Appointments

On 5 January 2011, Mr William McAvock was appointed as an executive director and Chief Financial Officer of the Company. Mr McAvock is a Chartered Certified Accountant and has worked in senior financial positions for exploration companies for over eight years. He spent over three years at Adastra Minerals Inc. (which had dual listings on the TSX and AIM stock exchanges and was taken over by First Quantum Minerals Limited in 2006). Mr McAvock spent four years at African Minerals Limited (AIM: AML), the iron ore project development company that is developing the Tonkolili project in Sierra Leone, West Africa.

On 13 April 2011, Mr Chris Hopkinson was appointed as executive director and Chief Executive Officer of the Company. Mr Chris Hopkinson has 22 years' experience in the oil and gas industry and previously worked for BG Group, where he was Senior Vice President of North Africa. Before that, Mr Hopkinson spent 8 years working in Russia as CEO of Imperial Energy Corporation plc and in senior management positions for TNK-BP, Yukos and Lukoil. Mr Hopkinson started his career with Shell working in various locations worldwide.

On 1 June 2011, Mr Tony Antoniou was appointed as non-executive director of the Company. Mr Antoniou is a UK Chartered Accountant with over 30 years' public accounting experience with PwC, the last 15 years of which were as a partner of PwC in Russia. He is also a non-executive director and audit committee member of Transcreditbank, one of the largest banks in Russia, and a consultant to PwC in Central and Eastern Europe.

Acquisitions

During August 2011, the Company entered into an agreement to acquire Vamaro Investments Limited ("Vamaro"), the 100% legal and beneficial owner of two licences for geological study of subsoil, prospecting and extraction of oil and gas in the Khanty-Mansiysk Autonomous Region in Western Siberia ("Vamarov Project").

In consideration for the acquisition of Vamaro, the Company agreed to:

- (a) issue 55,000,000 shares;
- (b) US\$3 million cash; and
- (c) assume certain liabilities of Vamaro.

Vamaro has been included in the consolidated financial statements with effect from 3 November 2011, the date on which control of the Vamaro operations was obtained.

During February 2012, the Company formally completed the acquisition of Vamaro.

On 4 November 2011, the Company entered into a Share Purchase and Funding Agreement to acquire 75% of the issued share capital of Charlize Investments Limited (an entity incorporated in Cyprus) ("Charlize") ("Charlize Acquisition").

Charlize owns 100% of the issued share capital of OOO VostokNefteGaz (an entity incorporated in Russia) ("VNG"). VNG owns an exploration licence in the Tomsk region of Western Siberia (the "Tomsk Exploration Licence").

In consideration for the acquisition of Charlize, the Company agreed to:

- (a) issue 6,666,667 shares; and
- (b) fund all of the exploration work necessary to fulfil the minimum work programme as stipulated in the Tomsk Exploration Licence.

Charlize has been included in the consolidated financial statements with effect from 28 December 2011, the date on which control of the Charlize operations was obtained.

During January 2012, the Company formally completed the acquisition of Charlize Investments Limited.

Funding

On 13 May 2011, the Company secured a US\$10 million standby loan facility ("Standby Facility") from a company related to four of the directors of the Company, to fund exploration expenditure and working capital. Amounts drawn down under the Standby Facility ("Facility Amount") will be repayable by the Company in full on the earlier of 1 June 2012, receipt by the Company of cash consideration from Nkwe Platinum Limited ("Nkwe") under the agreement with Nkwe for the sale of the Company's interest in the Tubatse Project and receipt of any other funding except for the funds raised by the Company in February 2012.

Interest is payable on the Facility Amount at the cash rate plus 3% per annum and the Standby Facility is secured by a fixed and floating charge over the Company. The Company is also obliged to pay a US\$250,000 commitment fee for the provision of the Standby Facility.

On 22 September 2011, the Company secured a US\$10 million loan facility ("Loan Facility") from Pan African Minerals Limited ("Pan African"), a company related to three directors of the Company, to fund expenditure and working capital. Amounts drawn down under the Loan Facility will be repayable by the Company in full on the earlier of receipt by the Company of capital raising funds, receipts by the Company of cash consideration from Nkwe under the agreement with Nkwe for the sale of the Company's interest in the Tubatse Project, a date agreed by the Company and Pan African and termination of the loan agreement by Pan African.

Interest is payable on the Loan Facility at the cash rate plus 3% per annum.

Towards the end of 2011, the Company marketed a placement to institutions and sophisticated investors which it completed on 6 February 2012. 165,730,000 fully paid ordinary shares were issued at an issue price of A\$0.20 per share raising A\$33,146,000 before costs.

PROJECTS

Krasnoleninsky Project

In April 2011, the Company commenced drilling of Well No. 1 and Well No. 2 at its Krasnoleninsky Project, which comprises 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.

The 1,467 km² area comprising the Company's four licence blocks has been extensively surveyed by 2,446 line-kilometres of closely-spaced 2D seismic data, which identified more than thirty prospects, including five "superstructures". Within these superstructures, there are a number of potential reservoirs, ranging in age from Palaeozoic to Cretaceous, stacked upon each other, offering the potential of multiple producing zones in a single well.

Drilling at both Well No. 1 and Well No.2 reached the target depths of 2,850 metres and 2,930 metres respectively in May 2011, and oil was found during drilling of both wells. The results of the interpretation of electrical logging of Well No. 1 and Well No. 2 were obtained in June 2011, and the interpretation of the electrical logging indicated that the Bazhenov and Tyumen suites are oil-bearing. In addition, the interpretation of the Palaeozoic suite indicated that the fractured zones in both wells are potentially oil-bearing.

In August 2011, the Company discovered an oilfield at Well No. 2. 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 received. 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.

Also in August 2011, the Company discovered a second oilfield during testing of Well No. 1. 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.

By the end of December 2011, the Company had completed the testing of other prospective intervals in both Well No. 1 and Well No. 2.

By the end of April 2012, the Company plans to have conducted a stimulation programme in these two wells and have commenced pilot oil production thereafter, and, by the end of April 2012, intends to issue a reserve report for the Krasnoleninsky Project in accordance with the industry standard SPE-PRMS standards.

Vamarov Project

During August 2011, the Company entered into an agreement to acquire Vamaro Investments Limited ("Vamaro"). Vamaro is the 100% legal and beneficial holder of Zapadno-Novomolodezhny LLC and Yuzhno-Sardakovskoye LLC, both Russian companies having rights for geological study of subsoil, prospecting and extraction of oil and gas in the Khanty-Mansiysk Autonomous Region in Western Siberia (the "Vamarov Project").

During February 2012, the Company formally completed the acquisition of Vamaro.

The Zapadno-Novomolodezhny field has had 13 wells drilled and the Yuzhno-Sardakovskoye field has had wells drilled and the Company plans to work over some of the wells and bring them into production during spring 2012.

By the end of April 2012, intends to issue a reserve report for the Vamarov Project in accordance with the industry standard SPE-PRMS standards.

Druzhny Project

On 4 November 2011, the Company entered into a Share Purchase and Funding Agreement to acquire 75% of the issued share capital of Charlize Investments Limited (an entity incorporated in Cyprus) ("Charlize") ("Charlize Acquisition"). Charlize owns 100% of the issued share capital of OOO VostokNefteGaz (an entity incorporated in Russia) ("VNG"). VNG owns an exploration licence in the Tomsk region of Western Siberia (the "Tomsk Exploration Licence").

During January 2012, the Company completed the acquisition of Charlize Investments Limited.

During the second half of 2012, the Company plans to carry out a 2D seismic study.

Kazakhstan Project

The Company, through its wholly owned subsidiary, North Caspian Petroleum Ltd, operates and owns a 50% interest in subsoil use rights for the exploration of hydrocarbons in an early stage project in Kazakhstan ("Alakol Licence Area" or "Kazakhstan Project"). The remaining 50% is owned by Remas Corporation LLP, a privately owned Kazakhstan company.

The Alakol Licence Area is located in eastern Kazakhstan and borders the western boundary of the People's Republic of China. The main target reservoirs in the Alakol basin are carbonates or sandstones of Paleozoic age occurring at depths ranging between 1,600 and 3,500 metres. The Alakol basin is considered to be similar to the Junggar and Zaisan basins across the border in China which are both proven oil provinces.

In January 2011, drilling to a target depth of 2,600 metres commenced at Well A-3 located on a Paleozoic prospect in the eastern portion of the Alakol Licence Area near a number of artesian wells associated with hydrocarbon seeps or oil films proving generation of hydrocarbons within the basin. Seismic interpretation indicated the possible presence of reservoirs below a capping volcanic seal.

In March 2011, after drilling through more than 500 metres of massive Mesozoic-age quartzite and silicified sandstones, not seen in the previous Wells A-1 and A-2, before intersecting Paleozoic-age volcanic sediments, the decision was made to plug and abandon Well A-3. No shows of hydrocarbons were seen during drilling. Though planned for a total depth of 2,600 metres, the unexpected thick interval of metamorphic formations encountered provided clear evidence that the intense heat and pressure associated with mountain building during the Paleogene period in the eastern portion of the Alakol Basin destroyed any existence of reservoir rock properties in the full column of sediments from near surface and below in the A-3 well area. Owing to this event, reservoir quality formations below the Paleozoic volcanics are not anticipated.

In June 2011, the Company commenced drilling Well A-8, the fourth well to be drilled in the Alakol Licence Area. Seismic data indicated that potential Jurassic and Triassic reservoirs were present as stratigraphic traps on the flanks of Paleozoic-age volcanic intrusions or basement highs. In a report dated 6 June 2011 to evaluate the hydrocarbon resource potential ("Ryder Scott Report"), Ryder Scott estimated the unrisks prospective (undiscovered recoverable) resources at 935 (Low Estimate), 1,379 (Best Estimate) and 1,980 (High Estimate) mmbob¹. Based on the undiscovered unrisks resource estimates from Ryder Scott, the directors believe that the Kazakhstan Project has the exploration potential of 1.4 billion barrels (Best Estimate).

In July and August 2011, a final depth of 2,019 metres was reached at Well A-8, well logging data was evaluated and drill stem testing of prospective intervals was carried out. Well A-8 was the first well to test the geological model that formed the basis of the Ryder Scott Report and, while it confirmed that reservoir-quality sands are present on the flanks of Paleozoic-age volcanic intrusions or basement highs, no hydrocarbons were found in this well. Consequently, the Company plugged and abandoned Well A-8.

During the second half of 2012, the Company plans to carry out a 3D seismic study in order to assist with targeting the reservoir-quality sands and selecting the locations of future exploration wells.

RESULT

The Consolidated Entity incurred a loss after income tax of US\$27,463,912 for the year ended 31 December 2011 (6 months ended 31 December 2010: loss of US\$6,669,644).

¹ It should be noted that the resources prospects evaluated are all seismic features, and Well A-8, which has just been drilled, is the first well to penetrate these features. It should be clearly understood that the resources are undiscovered and the project is a medium-high risk exploration play. There is no certainty that any portion of the undiscovered resources will be discovered and that, if discovered, may not be economically viable or technically feasible to produce any of the resources.

Consolidated statement of comprehensive income

		Current year ended 31 December 2011 \$US'000	Previous period 6 months ended 31 December 2010 \$US'000
1.1	Revenues (<i>item 7.1</i>)	123	466
1.2	Expenses, excluding finance costs (<i>item 7.2</i>)	(29,260)	(7,012)
1.3	Finance costs	(924)	(124)
1.4	Share of net profits (losses) of associates and joint ventures (<i>item 15.7</i>)	-	-
1.5	Loss before income tax	(30,061)	(6,670)
1.6	Income tax benefit	2,597	-
1.7	Loss from continuing operations	(27,464)	(6,670)
1.8	Profit (loss) from discontinued operations (<i>item 13.3</i>)	-	-
1.9	Net loss for the period attributable to ordinary equity holders	(27,464)	(6,670)
1.10	Other comprehensive income and expenditure		
1.11	Net fair value losses on available for sale investments	(911)	(436)
1.12	Foreign exchange gain / (loss) on translation of functional currency to presentation currency	3,256	3,413
1.13	Income tax on items of other comprehensive income and expenditure	284	131
1.14	Comprehensive expenditure for the period, net of tax	-	-
1.15	Total comprehensive loss for the period attributable to ordinary equity holders	(24,835)	(3,562)
1.16	Loss for the period is attributable to:		
1.17	Non-controlling interest	(703)	-
1.18	Owners of the parent	(26,761)	(6,670)
		(27,464)	(6,670)
1.19	Total comprehensive loss for the period is attributable to:		
1.20	Non-controlling interest	(703)	-
1.21	Owners of the parent	(24,132)	(3,562)
		(24,835)	(3,562)
1.22	Basic earnings per <i>security</i> (<i>item 9.1</i>)	(2.89)	(0.70)
1.23	Diluted earnings per <i>security</i> (<i>item 9.1</i>)	(2.89)	(0.70)
1.24	Distribution per <i>security</i> (<i>item 9.1</i>)		-

Comparison of profits

The current period results are for the year 1 January 2011 to 31 December 2011.

The previous corresponding period represents the amounts reported in the Company's last annual report and cover the period 1 July 2010 to 31 December 2010.

		Current year ended 31 December 2011 \$US'000	Previous period 6 months ended 31 December 2010 \$US'000
		\$US'000	\$US'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)	(5,479)	N/A
2.2	Consolidated profit (loss) after tax attributable to security holders for the 2nd half year	(21,282)	(6,670)

Notes

Current year

The first half of the Company's financial year is the period 1 January 2011 to 30 June 2011 (which represents the result reported in the Company's last half-yearly report).

The second half of the Company's financial year is the period 1 July 2011 to 31 December 2011.

Previous period

Subsequent to 30 June 2010, the Company changed its year end date from 30 June to 31 December. As a consequence, only the results for the period 1 July 2010 to 31 December 2010 are relevant for this disclosure.

Consolidated statement of financial position

		Current period 31 December 2011 \$US'000	Previous corresponding period 31 December 2010 \$US'000
	Current assets		
3.1	Cash and cash equivalents	918	12,822
3.2	Trade and other receivables	1,198	3,028
3.3	Inventories	8	1
3.4	Other current assets (provide details if material)	-	-
3.5	Total current assets	2,124	15,851
	Non-current assets		
3.6	Available for sale investments	1,033	1,928
3.7	Restricted cash	246	116
3.8	Trade and other receivables	-	2
3.9	Deferred tax assets	-	-
3.10	Exploration and evaluation expenditure capitalised	140,217	106,095
3.11	Development properties	-	-
3.12	Property, plant and equipment (net)	58	30
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	141,554	108,171
3.18	Total assets	143,678	124,022
	Current liabilities		
3.19	Trade and other payables	23,667	4,895
3.20	Short term borrowings	15,367	-
3.21	Current tax payable	1,937	1,624
3.22	Short term provisions	-	-

		Current period 31 December 2010 \$US'000	Previous corresponding period 31 December 2010 \$US'000
3.23	Current portion of long term borrowings	-	-
3.24	Other current liabilities (provide details if material)	-	-
3.25	Liabilities directly associated with non-current assets classified as held for sale	-	-
3.26	Total current liabilities	40,971	6,519
	Non-current liabilities		
3.27	Long-term borrowings	13,091	12,622
3.28	Deferred tax liabilities	8,857	5,763
3.29	Long term provisions	-	-
3.30	Provision for site rehabilitation	1,312	221
3.31	Total non-current liabilities	23,260	18,606
3.32	Total liabilities	64,231	25,125
3.33	Net assets	79,447	98,897
	Equity		
3.34	Share capital	224,233	223,082
3.35	Other reserves	(90,473)	(97,263)
3.36	Retained earnings	(55,350)	(28,589)
3.37	Non controlling interest	1,037	1,667
3.38	Total equity	79,447	98,897

Consolidated statement of changes in equity

	Ordinary Shares	Share based payments reserve	Revaluation Reserve	Merger Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- controlling interest	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2011	223,082	1,115	(139)	(101,516)	3,277	(28,589)	1,667	98,897
Loss for the period	-	-	-	-	-	(26,761)	(703)	(27,464)
Other comprehensive income and expenditure								
Foreign currency exchange differences arising on translation of foreign operations	-	-	-	-	3,256	-	-	3,256
Net fair value losses on available for sale investments (after tax)	-	-	(627)	-	-	-	-	(627)
Shares issued	1,151	-	-	-	-	-	-	1,151
Share based payments	-	4,161	-	-	-	-	-	4,161
Non-controlling interests recognised during the period	-	-	-	-	-	-	73	73
At 31 December 2011	224,233	5,276	(766)	(101,516)	6,533	(55,350)	1,037	79,447

	Ordinary Shares	Share based payments reserve	Revaluation Reserve	Merger Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non- controlling interest	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 July 2010	222,988	-	166	(101,516)	(137)	(21,919)	-	99,582
Loss for the period	-	-	-	-	-	(6,670)	-	(6,670)
Other comprehensive income and expenditure								
Foreign currency exchange differences arising on translation of foreign operations	-	-	-	-	3,413	-	-	3,413
Net fair value losses on available for sale investments (after tax)	-	-	(305)	-	-	-	-	(305)
Share based payments	94	1,115	-	-	-	-	-	1,209
Non-controlling interests recognised during the period	-	-	-	-	-	-	1,667	1,667
At 31 December 2010	223,082	1,115	(139)	(101,516)	3,277	(28,589)	1,667	98,897

Consolidated statement of cash flows

		Current year ended 31 December 2011 \$US'000	Previous period 6 months ended 31 December 2010 \$US'000
	Cash flows related to operating activities		
5.1	Receipts from customers	-	-
5.2	Payments to suppliers and employees	(1,819)	(7,584)
5.3	Interest and other costs of finance paid	-	(2)
5.4	Income taxes paid	-	-
5.5	Other		
	Interest received	156	466
	Other income received	-	-
5.6	Net cash used in operating activities	(1,663)	(7,120)
	Cash flows related to investing activities		
5.7	Payments for purchases of property, plant and equipment	(33)	(4)
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	-	122
5.11	Payments for exploration and evaluation activities	(24,410)	(8,331)
5.12	Cash backing security paid	(144)	-

		Current year ended 31 December 2011 \$US'000	Previous period 6 months ended 31 December 2010 \$US'000
5.13	Other: Cash balances acquired on acquisition of controlled entities	5	4
	Acquisition of subsidiary	-	(5,000)
5.14	Net cash from / (used in) investing activities	(24,582)	(13,209)
	Cash flows related to financing activities		
5.15	Proceeds from issues of securities net of capital raising costs (shares, options, etc.)	-	-
5.16	Proceeds from borrowings	14,946	-
5.17	Repayment of borrowings	-	(105)
5.18	Distributions paid	-	-
5.19	Other (provide details if material)	-	-
5.20	Net cash from / (used in) financing activities	14,946	(105)
	Net increase (decrease) in cash and cash equivalents	(11,299)	(20,434)
5.21	Cash at beginning of period (see <i>Reconciliations of cash</i>)	12,822	29,943
5.22	Exchange rate adjustments to item 5.21	(605)	3,313
5.23	Cash at end of period (see <i>Reconciliation of cash</i>)	918	12,822

Reconciliation of cash provided by operating activities to profit or loss

		Current year ended 31 December 2011 \$US'000	Previous period 6 months ended 31 December 2010 \$US'000
6.1	Loss (item 1.9)	(27,464)	(6,670)
	Adjustments for:		
6.2	Depreciation	5	-
6.3	Excess consideration written off	-	-
6.4	Profit on sale of equity investments	-	(71)
6.5	Share based payments	1,432	1,209
6.6	Interest capitalised to loan account	904	122
6.7	Unrealised foreign exchange gain	(16)	219
6.8	Provision for impairment of exploration expenditure	23,113	-
6.9	(Increase)/decrease in trade & other receivables	929	(599)
6.10	Increase/(decrease) in trade & other payables	(224)	(1,368)
6.11	Increase/(decrease) in deferred tax liabilities	(1,384)	-
6.12	Increase/decrease in inventories	1,042	38
6.13	Net cash from operating activities (item 5.6)	(1,663)	(7,120)

Notes to the financial statements

Details of revenues and expenses

		Current year ended 31 December 2011 \$US'000	Previous period 6 months ended 31 December 2010 \$US'000
7.1	Revenue		
	Interest income	123	466
	Total Revenue	123	466
	Expenses		
	Employee benefits expense	(1,151)	(398)
	Consulting expenses	(736)	(4,054)
	Directors remuneration	(1,014)	(266)
	Compliance and regulatory expenses	(326)	(314)
	Occupancy expenses	(79)	(142)
	Administration expenses	(1,468)	(481)
	Depreciation	(5)	-
	Foreign exchange gains / (losses)	64	(219)
	Profit on sale of assets	-	71
	Finance costs	(924)	(124)
	Share based payments	(1,432)	(1,209)
	Impairment loss	(23,113)	-
7.2	Total Expenses	(30,184)	(7,136)
	Profit (loss) before tax	(30,061)	(6,670)

Ratios		Current year ended 31 December 2011 \$US'000	Previous period 6 months ended 31 December 2010 \$US'000
8.1	Profit before tax / revenue Consolidated loss before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	(24,376%)	(1,431%)
8.2	Profit after tax / equity interests Consolidated loss after tax attributable to security holders (<i>item 1.9</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 3.38</i>)	(35%)	(7%)

Earnings per Security

9.1	Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:
	Current Period Loss for the period: \$27,463,912 Weighted average number of shares on issue: 948,938,422 Previous corresponding period Loss for the period: \$6,669,644 Weighted average number of shares on issue: 948,490,363

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 - \$US'000	Previous corresponding period - \$US'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 year ended 31 December 2011 \$US'000	Previous period 6 months ended 31 December 2010 \$US'000
11.1	Opening balance	100,769	71,653
11.2	Expenditure incurred during current period	39,611	15,375
11.3	Provision for impairment of exploration expenditure	(19,536)	-
11.4	Acquisitions, disposals, revaluation increments, etc.	-	-
11.5	Acquisition as a result of a business combination	22,331	19,065
11.6	Movements in capitalised exploration and evaluation costs due to fluctuations in foreign exchange rates	(2,958)	2
11.7	Expenditure transferred to Development Properties	-	-
11.8	Closing balance as shown in the consolidated balance sheet (item 3.10)	140,217	106,095

Development properties

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

		Current year ended 31 December 2011 \$US'000	Previous period 6 months ended 31 December 2010 \$US'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 year ended 31 December 2011 \$US'000	Current period 6 months ended 31 December 2010 \$US'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

The current period reflects the movements in International Petroleum's capital structure for the year ended 31 December 2011.

The previous corresponding period reflects the movements in International Petroleum's capital structure for the 6 month period 1 July 2010 to 31 December 2010.

		Current period			Previous corresponding period
		Number	Paid-up value (cents)	Carrying value US\$'000	Number
14.1	Preference securities				
14.2	Balance at start of period	N/A	N/A	N/A	N/A
14.3	a) Increases through issues	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
14.5	Balance at end of period	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	948,865,363		223,082	948,365,363
14.8	a) Increases through issues	-		-	-
	Issue of shares to acquire controlled entity	6,666,667		1,151	-
	Issue of shares pursuant to a capital raising	-		-	-
	Conversion of converting performance shares	-		-	-
	Share based payment	-		-	500,000
14.9	b) Decreases through returns of capital, buybacks etc.	-	-	-	-
14.10	Balance at end of period	955,532,030		224,233	948,865,363

		Current period				Previous corresponding period
		Number issued	Number listed	Paid-up value (cents)	US\$'000	Number issued
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	150,693,072	-	-	1,115	135,193,072
14.18	Issued during period	26,575,000	-	-	3,754	15,500,000¹
14.19	Exercised during period	-	-	-	-	-
14.20	Forfeited during period	(3,375,000)	-	-	(40)	-
14.21	Balance at end of period	173,893,072	-	-	4,829	150,693,072

¹15,500,000 options were awarded during the prior period. Of this total, 9,500,000 options were issued during the prior period and the balance was issued on 17 March 2011.

		Number issued	Number listed	Paid-up value (cents)	US\$'000	Current period US\$'000
14.22	Debentures					
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	-	-	-	-	-
14.34	a) Increase through issue	-	-	-	-	-
14.35	b) Decrease through conversion to ordinary securities	-	-	-	-	-
14.36	c) Decrease through expiry	-	-	-	-	-
14.37	Balance at end of period	-	-	-	-	-
14.38	Total Securities	1,129,425,102	955,532,030	-	229,062	1,099,558,435

		Current year ended 31 December 2011 \$US'000	Current period 6 months ended 31 December 2010 \$US'000
	Reserves		
14.38	Balance at start of period	(97,263)	(101,487)
14.39	Net loss on available for sale financial assets	(627)	(305)
14.40	Issue of consideration options	4,161	1,115
14.41	Translation from functional currency to presentation currency	3,256	3,414
14.42	Balance at end of period	(90,473)	(97,263)
14.43	Total reserves	(90,473)	(97,263)
	Accumulated losses		
14.44	Balance at start of period	(28,589)	(21,919)
14.45	Changes in accounting policy	-	-
14.46	Restated balance	-	-
14.47	Loss for the period	(26,761)	(6,670)
14.48	Dividends	-	-
14.49	Balance at end of period	(55,350)	(28,589)

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 - \$US'000	Previous corresponding period - \$US'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

Vamaro acquisition

On 3 November 2011, the Company, through its wholly owned subsidiary, IPL Siberia Ltd, acquired 100% of Vamaro Investments Ltd (Cyprus) ('Vamaro'). Vamaro is the 100% legal and beneficial holder of Zapadno-Novomolodezhny LLC and Yuzhno-Sardakovskoye LLC, with both Russian companies having rights for geological study of subsoil, prospecting and extraction of oil and gas in the Khanty-Mansiysk Autonomous Region in Western Siberia (the "Vamarov Project").

16.1	Name of entity acquired	Vamaro Investments Ltd (Cyprus)
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			\$US'000
16.2	Consolidated profit (loss) after tax of Vamaro since the date in the current period on which control was acquired		(14)
16.3	Date from which profit (loss) in <i>item 16.2</i> has been calculated	3 November 2011	
16.4	Profit (loss) after tax of Vamaro for the whole of the previous corresponding period	1 January 2010 to 31 December 2010	(80)

Charlize acquisition

On 28 December 2011, the Company, through its wholly owned subsidiary, IPL Siberia Ltd, acquired 75% interest in Charlize Investments Ltd (Cyprus) ('Charlize'). Charlize is the 100% legal and beneficial holder of OOO VostokNefteGaz, a Russian company which owns an exploration licence in the Tomsk region of Western Siberia (the 'Tomsk Exploration Licence' or the 'Druzhny Project').

16.1	Name of entity acquired	Charlize Investments Ltd (Cyprus)
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			\$US'000
16.2	Consolidated profit (loss) after tax of Charlize since the date in the current period on which control was acquired		nil
16.3	Date from which profit (loss) in <i>item 16.2</i> has been calculated	28 December 211	
16.4	Profit (loss) after tax of Charlize for the whole of the previous corresponding period	1 January 2010 to 31 December 2010	nil

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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		\$US'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 \$US'000	Previous corresponding period \$US'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 item 1.9)	
	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"), A\$45 million is due to be paid to the Consolidated Entity for the sale of the remaining 10% interest to NKWE by 30 June 2012.

The analysis of the location of non-current assets is as follows:

		Current period - \$US'000			Previous corresponding period - \$US'000		
	Segments	Exploration for Hydrocarbons	Unallocated items	Total	Exploration for Hydrocarbons	Unallocated items	Total
	Revenue:						
19.1	External sales	-	-	-	-	-	-
19.2	Interest received and other income	-	123	123	-	466	466
19.3	Total segment revenue	-	123	123	-	466	466
19.4	Segment net operating loss after tax	(2,943)	(24,521)	(27,464)	(7,012)	342	(6,670)
19.5	Separately disclosable items within operating loss:						
	Excess purchase consideration written off	-	-	-	-	-	-
19.6	Segment assets	127,162	16,516	143,678	89,451	34,571	124,022
19.7	Investments in associates	-	-	-	-	-	-
19.8	Capitalised expenditure	124,734	15,483	140,217	73,452	32,643	106,095
	Other assets	2,428	1,033	3,461	15,999	1,928	17,927
19.9	Total assets	127,162	16,516	143,678	89,451	34,571	124,022
19.10	Segment liabilities	(53,437)	(10,794)	(64,231)	(17,738)	(7,387)	(25,125)

		Current period - \$US'000			Previous corresponding period - \$US'000		
19.11	Cash flow information						
19.12	Net cash outflow from operating activities	(1,819)	156	(1,663)	(7,584)	464	(7,120)
19.13	Net cash outflow from investing activities	(24,582)	-	(24,582)	(13,209)	-	(13,209)
19.4	Net cash inflow from financing activities	(14,946)	-	(14,946)	(105)	-	(105)

NTA Backing

20.1		Current period	Previous corresponding period
	Net tangible asset backing per ordinary security	(6.34 cents)	(0.19 cents)

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>During the current year, 24,700,000 unlisted options have been issued to directors, consultants and employee of the company (31 December 2010: 15,500,000 unlisted options). US\$1,208,823 has been expensed in the current year with respect to these options (6 months ended 31 December 2010: US\$1,115,175). US\$2,505,470 has been capitalised to exploration expenditure in the current year with respect to these options (6 months ended 31 December 2010: nil).</p> <p>During the current year, 10,000,000 performance shares have been awarded to the Chief Executive Officer of the Company. The performance shares are subject to vesting conditions. As at 31 December 2011, no performance shares have vested. US\$223,430 has been expensed and US\$223,430 has been capitalised to exploration expenditure in the current period with respect to these performance shares,</p> <p>On 28 December 2011, the Company issued 6,666,667 shares in respect of the acquisition of Vamaro Investments Limited, the 100% legal and beneficial owner of 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").</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. This Preliminary Final Report has been prepared in accordance with the requirements of the National Stock Exchange.

Basis of accounts preparation

This 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 and assets and liabilities acquired pursuant to a business combination, which have been measured at fair value.

The financial report is presented in United States Dollars.

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The ability of the Consolidated Entity to continue its planned exploration and evaluation activities is dependent on the Consolidated Entity raising additional capital within the next 12 months. At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Consolidated Entity will be able to raise additional capital, if required, in order to enable it to meet its obligations as and when they fall due. In forming this view, the directors have considered the Consolidated Entity's position and its available financing options, including entering into additional loan facility agreements with related parties, and the proceeds receivable on sale of its remaining 10% interest in the Tubatse project.

Should the Consolidated Entity not achieve the matters set out above, there is uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in this financial report. This financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Consolidated Entity not be able to continue as a going concern.

Comparative financial information

During 2010 the Company changed its financial year end from 30 June to 31 December. The comparative information presented is for the 6 months ended 31 December 2010. The current information presented is for the 12 months ended 31 December 2011.

Subsequent Events

On 9 January 2012, the Company completed the acquisition of Charlize Investments Limited and entered into an agreement to vary the terms of the Asset Sale Agreement with Nkwe in order to extend the latest date by which the A\$45 million consideration is payable from 31 December 2011 to 30 June 2012 and, in the event of a change of control in Nkwe, to increase the consideration payable by Nkwe to the Company from A\$45 million to A\$50 million.

On 6 February 2012, the Company completed a share placement to institutions and sophisticated investors of 165,730,000 fully paid ordinary shares at an issue price of A\$0.20 per share raising A\$33,146,000 before costs. Capital raising costs amounted to A\$1,374,959.

During February 2012, the Company completed the acquisition of Vamaro Investments Limited by issuing 55,000,000 ordinary shares and making a cash payment of US\$3 million.

On 17 February 2012, the Company appointed Pierre Godec as a Non-Executive Director. Mr Godec, has 40 years' experience in the international oil industry. His experience includes 32 years with Groupe Elf Aquitaine ('Elf'), having held senior positions at Elf in the UK, Russia, France, USA, Canada, Kazakhstan, Nigeria and Norway. Between 2000 and 2004, Mr Godec worked as an independent international consultant with companies such as McKinsey, Accenture and Northern Oil. He was a Non-Executive Director of Imperial Energy Corporation plc from July 2004 until its acquisition by ONGC Videsh Limited in January 2009. At Imperial Energy Corporation plc, which was originally listed on AIM but moved up to the London Stock Exchange main board and entered the FTSE 250 index, he was the Senior Non-Executive Director and was Chairman of the audit committee and the remuneration committee. Currently, Mr Godec is a director of Petrolia E&P Holdings plc and Petroresources Ltd, which are both energy companies registered in Cyprus, controlled by the Larsen Group, with operations outside Cyprus, and he is President of the French Trade Board in Cyprus. He is a Chevalier de la Legion d'Honneur, Chevalier de l'Ordre National du Merite, and a Fellow of the Energy Institute in London.

On 1 March 2012, Mark Gwynne resigned as Non-Executive Director and the Company appointed Vladimir Pavlovich Mangazeev as a Non-Executive Director. Mr Mangazeev, aged 70, has over 45 years' experience in the oil industry in Russia. In 1966, he graduated from Tomsk Polytechnic University, majoring in Petroleum Geology and Exploration for Oil & Gas Fields and worked for Tomskneft, where he worked his way up from Petroleum Geologist to Chief Geologist by 1978. From 1978 to 1990, Mr. Mangazeev was responsible for supervising the geological and petroleum industry of the Tomsk region. In 1990, he returned to the industry in the position of Deputy Director General for Geology and took charge of Tomskneft's Geological Department. From 1994 to 1998, as the First Vice-President of VNK (Eastern Oil Company), and, from 1999 to 2007, as the Executive Vice-President of Yukos Oil Company ("Yukos"), Mr. Mangazeev was consistently involved in the modernisation of the petroleum sector, suggesting unprecedented engineering and technological solutions. He initiated and managed some of the most complex field projects such as the development of the Tomsk region, including the gas condensate fields and the largest Eastern Siberian gas-oil field, Yurubcheno-Tokhomskoye. In 2000, Yukos became the second largest Russian oil company in terms of oil production and entered international markets. New and sophisticated technologies, which had emerged in the late 20th Century, required qualified specialists to apply them, so Mr. Mangazeev put forward the idea of establishing a centre that would train world-class petroleum engineers for Yukos. This centre became the internationally renowned Heriot-Watt University Approved Support Centre (the "HWUASC"). Under his guidance, Yukos signed a contract in December 2000 with Heriot-Watt University and TPU to become Learning Partners and the grand opening of the HWUASC at TPU took place on 12 September 2001. The first 50 petroleum engineering students graduated from the centre in November 2002. This year's class will mean that there will be over 500 petroleum graduates from the HWUASC working in the Russian and international oil and gas industry. Approximately 70 students per year from the HWUASC are sponsored and subsequently employed by Russian oil & gas companies. This has resulted in the widespread recognition throughout the Russian oil and gas industry of Heriot-Watt University for delivering high quality graduates. Mr. Mangazeev is Honorary Doctor of Engineering of Heriot-Watt University. During last 4 years, Mr. Mangazeev has been President Advisor of JSC Vostokgazprom.

No other event has arisen between 31 December 2011 and the date of this report that would be likely to materially affect the operations of the Consolidated Entity or its state of affairs.

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 ("Tubatse Project") for A\$60 million.

Under the asset sale agreement:

- A\$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.
- A\$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 A\$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.

In August 2011, the asset sale agreement between Nkwe and the Company was varied such that the consideration for the remaining 10% interest was reduced from \$50 million to \$45 million and the conditions precedent were removed such that the revised consideration of \$45 million was no longer payable by Nkwe within 30 days of the earlier of the grant of mining rights or Xstrata exercising its option with Nkwe. Instead, Nkwe was required to pay the amount of \$45 million on or before 31 December 2011.

In January 2012, the asset sale agreement was again varied such that the consideration for the remaining 10% interest in the Tubatse Project to be settled on the earlier of the following:

- (a) \$45 million payable on or before 30 June 2012, or
- (b) \$50 million on the occurrence of a Change in Control Event (takeover of Nkwe or a merger by way of a scheme of arrangement)

The amount owing of A\$45 million has not been recorded as a receivable by the Company because of the lack of certainty that the A\$45 million will be received by 30 June 2012.

Contingent Liabilities

No contingent liabilities

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*)

During August 2011, the Company entered into an agreement to acquire Vamaro Investments Limited ("Vamaro"). Vamaro is the 100% legal and beneficial holder of Zapadno-Novomolodezhny LLC and Yuzhno-Sardakovskoye LLC, both Russian companies having rights for geological study of subsoil, prospecting and extraction of oil and gas in the Khanty-Mansiysk Autonomous Region in Western Siberia.

Vamaro has been included in the consolidated financial statements with effect from 3 November 2011, the date on which control of the Vamaro operations was obtained.

On 4 November 2011, the Company entered into a Share Purchase and Funding Agreement to acquire 75% of the issued share capital of Charlize Investments Limited (an entity incorporated in Cyprus) ("Charlize"). Charlize owns 100% of the issued share capital of OOO VostokNefteGaz (an entity incorporated in Russia) ("VNG"). VNG owns an exploration licence in the Tomsk region of Western Siberia.

Charlize has been included in the consolidated financial statements with effect from 28 December 2011, the date on which control of the Charlize operations was obtained.

Annual General Meeting

The Annual General Meeting will be held as follows:

Place	To be advised
Date	To be advised
Time	To be advised
Approximate date the annual report will be available	Statutory financial statements to be lodged on NSX Platform prior to 31 March 2012. Annual Report to be despatched to shareholders prior to 28 April 2012.

Compliance statement

- 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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- This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
- This statement does give a true and fair view of the matters disclosed (see note 2).
- 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 31 December 2011 International Petroleum Limited had a formally constituted Audit and Risk Committee comprising 4 non executive directors.

Sign here: Claire Tolcon
(Company secretary)

Date: 15 March 2012