



International  
Petroleum

**ABN 76 118 108 615**

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## **NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10:00am (WST)

**DATE:** 25 May 2012

**PLACE:** Kailis Bros Fish Market & Café Function Centre  
101 Oxford Street  
Leederville WA 6007  
Australia

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9388 0744.*

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

### VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am (WST) on 25 May 2012 at:

Kailis Bros Fish Market & Café Function Centre  
101 Oxford Street  
Leederville WA 6007  
Australia

### YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

### VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria, 3001, Australia; or
- (b) facsimile to Computershare Investor Services Pty Ltd on facsimile number 1800 783 447 (within Australia) and +61 3 9473 2555 (outside Australia),

so that it is received not later than 10:00am (WST) on 23 May 2012.

**Proxy Forms received later than this time will be invalid. Enquiries in respect of the proxy form should be made on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).**

**Proxy Forms received later than this time will be invalid.**

***Recent Changes to Proxy Voting*** New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- (a) if the proxy votes, they must cast all directed proxies as directed; and

- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

***Proxy vote if appointment specifies way to vote***

Section 250BB (1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

***Transfer of non chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - (i) the proxy is not recorded as attending the meeting; or
  - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

# NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 10:00am (WST) on 25 May 2012 at Kailis Bros Fish Market & Café Function Centre, 101 Oxford Street, Leederville, Western Australia.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at opening of business on 24 May 2012.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

## AGENDA

### ORDINARY BUSINESS

#### FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

## RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the period ended 31 December 2011."*

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting Prohibition Statement:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) the vote is not cast on behalf of a person described in sub paragraphs (a) or (b) above.

## **RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ANTONIOS ANTONIOU**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Antonios Antoniou, a Director who was appointed on 1 June 2011, retires, and being eligible, is re-elected as a Director.”*

## **RESOLUTION 3 – RE-ELECTION OF DIRECTOR – PIERRE GODEC**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Pierre Godec, a Director who was appointed on 17 February 2012, retires, and being eligible, is re-elected as a Director.”*

## **RESOLUTION 4 – RE-ELECTION OF DIRECTOR – VLADIMIR MANGAZEEV**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Vladimir Mangazeev, a Director who was appointed on 1 March 2012, retires, and being eligible, is re-elected as a Director.”*

## **RESOLUTION 5 – RE-ELECTION OF DIRECTOR – TIMOTHY TURNER**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Timothy Turner, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

## **RESOLUTION 6 – RE-ELECTION OF DIRECTOR – MARK ASHURST**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Mark Ashurst, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

## **RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for all purposes, Shareholders ratify the allotment and issue of 37,730,000 Shares at an issue price of A\$0.20 per Share on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**DATED: 18 APRIL 2012**

**BY ORDER OF THE BOARD**



**CLAIRE TOLCON  
COMPANY SECRETARY**

# EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10:00am (WST) on 25 May 2012 at Kailis Bros Fish Market & Café Function Centre, 101 Oxford Street, Leederville, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

Shareholders should note that pursuant to a deed between the Company and Safeguard Management Limited (**Safeguard**), no votes may be cast at this Annual General Meeting by Safeguard in respect of the proposed resolutions unless NSX and the Company permits. As at the date of this Notice of Meeting, Safeguard holds 444,018,420 Shares representing 37.75% of the issued capital of the Company.

## 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the period ended 31 December 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report on its website at [www.internationalpetroleum.com.au](http://www.internationalpetroleum.com.au).

## 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the period ended 31 December 2011.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

### Voting Exclusion and Proxy Restrictions

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting.

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 1, you must direct the proxy how they are to vote. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this

Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

### **3. RESOLUTIONS 2, 3 AND 4 – RE-ELECTION OF DIRECTORS – ANTONIOS ANTONIOU, PIERRE GODEC AND VLADIMIR MANGAZEEV**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Antonios Antoniou was appointed as a Director on 1 June 2011, Mr Pierre Godec was appointed as a Director on 17 February 2012 and Mr Vladimir Mangazeev was appointed as a Director on 1 March 2012.

Messrs Antoniou, Godec and Mangazeev will retire in accordance with clause 13.4 of the Constitution and being eligible seeks re-election.

A profile of Mr Antonios Antoniou is contained in the 2011 Annual Report. A profile of Mr Pierre Godec and Mr Vladimir Mangazeev is set out below.

#### **Mr Pierre Godec**

Mr Godec, aged 67, has 40 years' experience in the international oil industry. He spent 32 years with Groupe Elf Aquitaine, having held senior positions at Elf in the UK, Russia, France, USA, Canada, Kazakhstan, Nigeria and Norway. From 1990 to 1993, Mr Godec was CEO and Managing Director of Elf Neftegas in Russia and Kazakhstan. Between 1993 and 1995, he also represented Elf at the European Commission. In May 2000, he retired from Groupe Elf Aquitaine as CEO and Managing Director of Elf Petroleum UK plc and Elf Exploration UK plc. 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.

#### **Mr Vladimir Mangazeev**

Mr Vladimir Pavlovich 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 Well Survey Group Leader, Chief Field Geologist, Head of Geology Department, Head of Geology and Field Development Department, reaching the position of 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 OJSC 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.

Being an Honorary Graduate of Tomsk Polytechnic University ("TPU") and recipient of the TPU Silver Medal of Merit, he understands the importance and value of high quality training of employees to ensure the success of the industry.

In the year 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 20<sup>th</sup> 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.

During last 4 years, Mr Mangazeev has been President Advisor of OJSC Vostokgazprom, which is a company controlled by OJSC Gazprom, the Russian energy company.

#### **4. RESOLUTIONS 5 AND 6 – RE-ELECTION OF DIRECTORS – MR TIMOTHY TURNER AND MR MARK ASHURST**

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Directors who are appointed pursuant to clause 13.4 of the Constitution and seek re-election under that clause, are not counted in determining the number of Directors for the purposes of clause 13.2 of the Constitution. The Company currently has six Directors (and three who are seeking re-election under clause 13.4 of the Constitution) and accordingly two must retire.

Messrs Turner and Ashurst are the Directors longest in office since their last election, retire by rotation and seek re-election. A profile of each of Messrs Turner and Ashurst is contained in the 2011 Annual Report.

## **5. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – SHARES**

### **5.1 General**

As announced by the Company on 31 January 2012 and 6 February 2012, the Company completed a placement to institutions and sophisticated investors of 165,730,000 Shares at an issue price of A\$0.20 per Share raising A\$33,146,000 before costs (**Placement**).

None of the subscribers to the Placement were related parties of the Company.

Shareholder approval was obtained on 9 November 2011 for the issue of up to 128,000,000 Shares to raise up to A\$25,000,000. However, due to the increased demand from investors, the Placement was oversubscribed and the Company decided to raise an increased amount of cash. Accordingly, 128,000,000 Shares issued under the Placement was issued with Shareholder approval and the remaining 37,730,000 Shares were issued pursuant to the Company's 15% capacity.

Resolution 7 seeks Shareholder ratification pursuant to NSX Listing Rule 6.25 for the issue of those 37,730,000 Shares (**Share Ratification**).

NSX Listing Rule 6.25 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in NSX Listing Rule 6.25 without the requirement to obtain prior Shareholder approval.

### **5.2 Technical information**

The following information is provided in relation to the Share Ratification:

- (a) 37,730,000 Shares were allotted and issued;
- (b) the Shares were issued at an issue price of A\$0.20 per Share;
- (c) the Shares were issued on the same terms and conditions of existing Shares on issue;

- (d) the Shares were allotted and issued to sophisticated and institutional investors, none of whom were related parties of the Company;
- (e) the funds raised from the Placement (which includes the funds raised as part of the Shares seeking ratification) was applied, or will be applied, towards:
  - (i) 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);
  - (ii) US\$4.0 million to pay the liabilities of Vamaro;
  - (iii) 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;
  - (iv) US\$1.0 million for the remaining costs of Well A-8 at the Alakol Project;
  - (v) 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
  - (vi) the remainder towards capital and operating expenditures and general working capital.

## 6. ENQUIRIES

Shareholders are requested to contact the Company Secretary on (+ 61 8) 9388 0744 if they have any queries in respect of the matters set out in these documents.

## GLOSSARY

**2011 Annual Report** means the financial statements of the Company for the period ended 31 December 2011.

**A\$** means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities and Investments Commission.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that NSX declares is not a business day.

**Closely Related Party** of a member of the Key Management Personnel, a spouse or child of the member; a child of the member's spouse; a dependent of the member or the member's spouse; anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; a company the member controls; or a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** means International Petroleum Limited (ABN 76 118 108 615).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**US\$** means United States dollars.

**WST** means Western Standard Time as observed in Perth, Western Australia.