

NSX Announcement
26 June 2012

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Krasnoleninsky Project - Exploration drilling update

International Petroleum Limited (**NSX: IOP**) ("**International Petroleum**" or the "**Company**"), an oil and gas exploration company with assets in Russia and Kazakhstan, announces that it has commenced drilling a new exploration well.

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 (Well number 1 in licence block 7 and Well number 2 in licence block 8) in the Krasnoleninsky Project and discovered commercial quantities of oil in both wells.

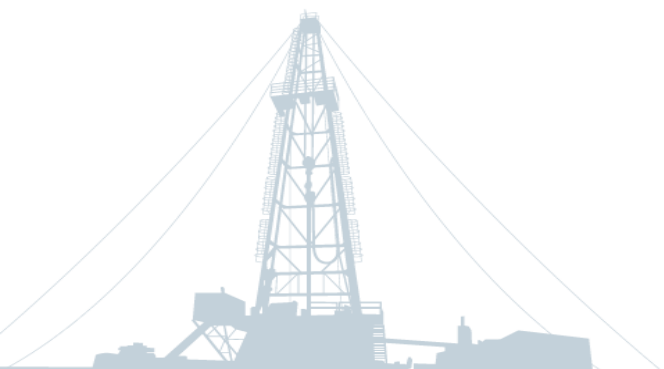
Now, the Company has commenced drilling Well number 4, which is an exploration well to evaluate the first prospect in licence block 10 of the Krasnoleninsky Project and is expected to take approximately two months to drill the well to its target true vertical depth of approximately 3,100 metres.

During 2012, the Company plans to drill two exploration wells (Well number 4 in licence block 10, which has just commenced, and Well number 3 in licence block 9, which is expected to commence over the coming weeks) in the Krasnoleninsky Project.

Commenting on the commencement of drilling Well number 4 at the Krasnoleninsky Project, Chris Hopkinson, International Petroleum CEO said, *"This is the second of five new exploration wells that the Company plans to drill in 2012 and we look forward to the results of this drilling"*.

Yours faithfully

Tony Sage
Non-Executive Chairman



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About International Petroleum

International Petroleum is an oil and gas exploration company.

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

The Company owns:

1. 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.
2. a 100% equity interest in 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**”).
3. a 75% equity interest in an exploration licence in the Tomsk region of Western Siberia (the “**Tomsk Exploration Licence**” or the “**Druzhny Project**”).
4. 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.

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.