

NSX Announcement
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Update on Agreement with Nkwe Platinum Limited

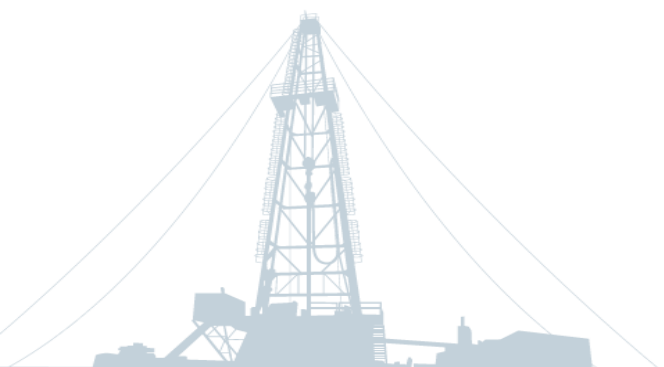
International Petroleum Limited (NSX: IOP) (**International Petroleum** or the **Company**) provides an update to the market in respect to its agreement with Nkwe Platinum Limited (ASX: NKP) (**Nkwe**) for the sale of the Company's remaining 10% interest in the Tubatse Project in South Africa.

As previously announced, the Company varied the terms of an asset sale agreement with Nkwe (**Asset Sale Agreement**) 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 (refer NSX Announcement dated 20 February 2012).

The Company is currently finalising negotiations with Nkwe in respect to a further variation to the Asset Sale Agreement and anticipates being able to update shareholders in respect to these negotiations by the end of July 2012.

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.