

NSX Announcement  
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## **Revision of Terms of Disposal of Tubatse Project**

International Petroleum Limited (NSX: IOP) (“**International Petroleum**” or the “**Company**”), an oil and gas exploration company with assets in Russia and Kazakhstan, announces the revision of the terms of the disposal of the Company’s interest in three mineral farms in South Africa (the “**Tubatse Project**”).

During October 2009, the Company entered into a sale agreement (the “**Sale Agreement**”) with Nkwe Platinum Limited (ASX: NKP) (“**Nkwe**”) relating to the Company’s interest in the Tubatse Project.

On 9 January 2012, the Company entered into an agreement to vary the terms of the 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 (together, the “**Consideration**”).

Earlier this month, Nkwe announced that it:

- (a) has been trying to settle a dispute about the ownership of two of the three mineral farms that comprise the Tubatse Project (the “**Dispute**”) and it maintains that the legal tenure of the farms cannot be abrogated and has received legal advice confirming this view; and
- (b) is finalising negotiations with suitable joint venture partners (the “**Joint Venture Negotiations**”), who will contribute cash to Nkwe.

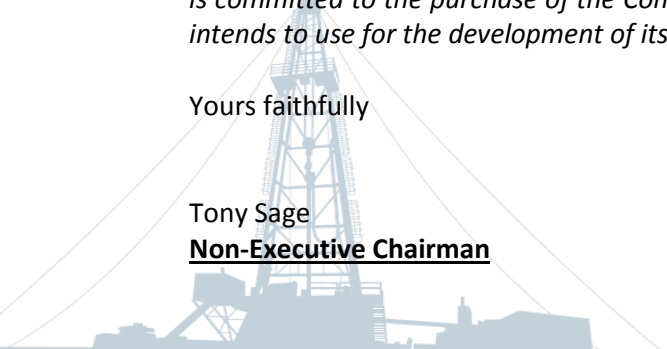
Owing to the continued delays to the settlement of the Dispute and the Joint Venture Negotiations, Nkwe has not been able to pay the A\$45 million consideration to the Company by 30 June 2012.

Therefore, the Company has entered into a further agreement to vary the terms of the Sale Agreement in order to extend the latest date by which the Consideration is payable from 30 June 2012 to 31 December 2012.

Commenting on the revision of the terms of the disposal of the Company’s interest in the Tubatse Project, Chris Hopkinson, International Petroleum CEO said, “*The revised agreement with Nkwe confirms that Nkwe is committed to the purchase of the Company’s interest in the Tubatse Project for cash, which the Company intends to use for the development of its oil and gas projects*”.

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 km<sup>2</sup>, 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 km<sup>2</sup> 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.