

NSX Announcement
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Commenced drilling appraisal well #38 at Yuzhno-Sardakovsky

International Petroleum Limited (**NSX: IOP**) ("**International Petroleum**" or the "**Company**"), an oil and gas exploration and production company with assets in Russia and Kazakhstan, announces that it has commenced drilling appraisal well number 38 at its Yuzhno-Sardakovsky field.

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 Yuzhno-Sardakovsky field and in the Zapadno-Novomolodezhny field in the Khanty-Mansiysk Autonomous Region in Western Siberia (respectively, the "**Yuzhno-Sardakovsky Project**" and the "**Zapadno-Novomolodezhny Project**").

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

Prior to the acquisition of Vamaro by the Company, 14 wells (8 prospecting and 6 exploration) had been drilled in the Zapadno-Novomolodezhny field and 8 wells (3 prospecting and 5 exploration) had been drilled in the Yuzhno-Sardakovsky field.

Since acquiring Vamaro, the Company worked over some of the historical well stock and constructed a short pipeline on the Zapadno-Novomolodezhny block to tie some of these wells into the existing pipeline. Currently, the Company is producing oil from wells at the Zapadno-Novomolodezhny field.

From May to July 2012, the Company drilled well number 34 at the Yuzhno-Sardakovsky field. Well number 34 was an appraisal well with the purposes of increasing proved reserves in known reservoirs, discovering new production reservoirs, obtaining new core data, clarifying well production potential and preparing for production drilling of the field. Currently, the Company is evaluating the results of the well.

Now, the Company has commenced drilling of well number 38 at the Yuzhno-Sardakovsky field. Well number 38 is another appraisal well with the purposes of increasing proved reserves in known reservoirs, discovering new production reservoirs, obtaining new core data, clarifying well production potential and preparing for production drilling of the field. It is expected to take approximately two months to drill the well to its target true vertical depth of 3,100 metres.

Commenting on the commencement of drilling well number 38 at its Yuzhno-Sardakovsky field, Chris Hopkinson, International Petroleum CEO said, "*The Company is focussed on maximising shareholder value by investing cash wisely on drilling wells to produce oil and to increase oil reserves*".



Yours faithfully

Tony Sage

Non-Executive Chairman

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About International Petroleum

International Petroleum is an oil and gas exploration and production company.

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

The Company owns:

1. a 100% equity interest in a licence over the Zapadno-Novomolodezhny field for geological study of subsoil, prospecting and extraction of oil and gas in the Khanty-Mansiysk Autonomous Region in Western Siberia (the **"Zapadno-Novomolodezhny Project"**).
2. a 100% equity interest in a licence over the Yuzhno-Sardakovsky field for geological study of subsoil, prospecting and extraction of oil and gas in the Khanty-Mansiysk Autonomous Region in Western Siberia (the **"Yuzhno-Sardakovsky Project"**).
3. 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 and registered these two oil fields as the Vostochno-Kamskoye field and the Yanlotskoye field.
4. a 75% equity interest in an exploration licence in the Tomsk region of Western Siberia (the **"Tomsk Exploration Licence"** or the **"Druzhny Project"**).
5. a 50% interest in an early stage project covering 24,649 km² in eastern and south eastern Kazakhstan (the **"Alakol 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.