

NSX Announcement  
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### **Revision of terms of additional Convertible Loan Facility**

International Petroleum Limited (**NSX: IOP**) ("**International Petroleum**" or the "**Company**"), an oil and gas exploration and production company with assets in Russia and Kazakhstan, is pleased to announce that it has revised the terms of the additional convertible loan facility (**Loan Facility**) from Varesona Participation Corporation ("**Varesona**"), an entity controlled by Frank Timis, a non-executive director, to fund exploration expenditure and working capital that was announced on 15 January 2013.

Pursuant to the terms of the Loan Facility, the Company will have access to up to US\$5.2 million and the amount drawn down under the Loan Facility ("**Loan Amount**") will attract interest at the rate of 5% per annum and will be repayable by the Company five business days after Varesona demands repayment of the Loan Amount (unless extended by the parties) ("**Repayment Date**").

If the Loan Amount is not repaid by the Repayment Date, the Loan Amount will be converted, subject to the receipt of all necessary shareholder approvals, into shares at a conversion price per share equal to the price per share of any equity placement that is agreed and publicly announced during the one month period from the date of execution of this Agreement, or, if there is no equity placement during that period, A\$0.07 per share (being the price of all three actual reported trades during the period from 11 January 2013 to 25 January 2013 inclusive). If all necessary shareholder approvals for the conversion of the Loan Amount into shares are not obtained, the Company must satisfy the Loan Amount in cash and not shares.

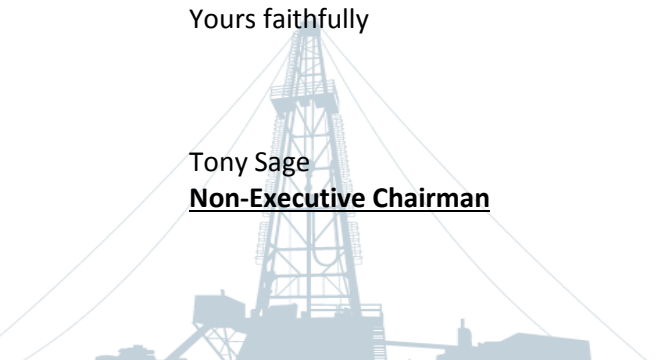
To allow the Company the future flexibility to determine whether to satisfy the Loan Amount in cash or shares, the Company may seek all necessary shareholder approvals for the conversion of the Loan Amount into shares prior to the Repayment Date.

Funds drawn down from the Loan Facility will be applied towards exploration expenditure and general working capital.

Subject to receipt of any required shareholder approvals, the Loan Amount will be secured by a second ranking fixed and floating charge over the Company.

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 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 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 km<sup>2</sup> 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.