

NSX Announcement
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ABN: 76 118 108 615
Corporate Office

32 Harrogate Street
West Leederville, WA 6007

P.O. Box 1385
West Leederville, WA 6901

T +61 8 9388 0744
F +61 8 9382 1411
E admin@intpet.com.au
W www.internationalpetroleum.com.au

Acquisition of New Exploration Licence in Russia

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 its wholly-owned subsidiary company, Yuzhno-Sardakovskoye LLC, has acquired a 100% ownership interest in an exploration licence over the Yanchinsky block (the "**Licence**") for the geological study of subsoil and prospecting for oil and gas in the Nizhnevartovsk region of the Khanty-Mansiysk Autonomous District in Western Siberia (the "**Yanchinsky Project**").

The Licence was issued on 15 March 2013 and is valid for a term of five years, expiring on 14 March 2018.

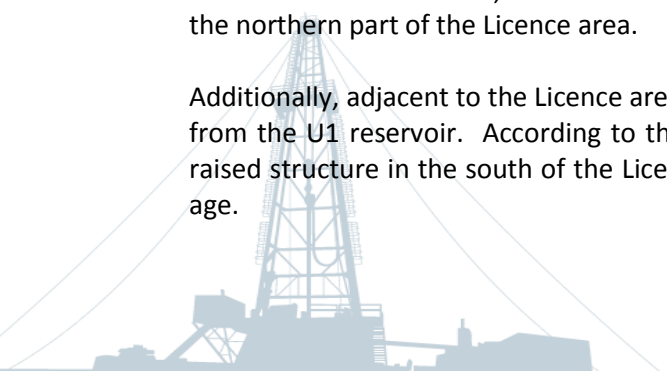
The area of the Licence is 71.1 km² and 2D seismic profiles of the Licence area with a density of 0.92km per km² are available to the Company. No wells have been drilled to date in the Licence area. The Licence commitments are as follows:

- by 15 March 2014 to develop, negotiate and obtain the approval of the program for exploration and evaluation,
- by 15 March 2015 to compile the geological and geophysical information and re-interpret the previous 2D seismic data,
- by 15 March 2016 to carry out 3D seismic covering not less than 70 km² of the subsoil area, and
- by 15 March 2017 to commence drilling the first exploration well and complete it not later than 14 September 2017.

Approximately 13 km south of the centre of the Licence area lies a hard-top highway, leading to the central production facility of the Zapadno-Mogutlorsky licence area. Approximately 80 km to the west is the Surgut-Noyabrsk railway, approximately 24 km to the west lies the route of the main oil pipeline «Povkhovsky-Pokachi-Uryevskie», and approximately 67 km to the west lies the route of the main gas pipeline «Urengoy-Chelyabinsk».

The Licence borders the southern border of the Yuzhno-Sardakovsky licence block (the "**YS Licence**"), which is also owned by Yuzhno-Sardakovskoye LLC. According to the interpretation of the results of the 3D seismic of the YS Licence, the southern part of the Achimov deposits extends beyond the YS Licence into the northern part of the Licence area.

Additionally, adjacent to the Licence area, to the south-west, is the Mogutlorsky field, where oil is extracted from the U1 reservoir. According to the 2D seismic carried out in 1992-1993 in the Licence area, a local raised structure in the south of the Licence area was observed with prospects of deposits in U1 of Jurassic age.



Recoverable oil reserves calculated for the site by VNIGNI (All-Russian Geological Research and Development Oil Institute) amount to 2.5 million tonnes.

Once wells have been drilled in the Licence area, commercial flows are expected from the reservoirs of Ach1, Ach2 Megion, U11 of the Vasyugansky formation, as well as U2 of the Tyumen formation, similar to the producing reservoirs in the adjacent Yuzhno-Sardakovsky field and Zapadno-Mogutlorsky field.

Commenting on the acquisition of the Yanchinsky Project, Chris Hopkinson, International Petroleum CEO said, *"With producing reservoirs in adjacent fields to the north and to the south of the Licence and the interpretation of the results of the 3D seismic of the YS Licence indicating that the southern part of the Achimov deposits extend beyond the YS Licence into the northern part of the Licence area, the Yanchinsky Project is a welcome addition to the Company's portfolio"*.

Yours faithfully

Tony Sage
Non-Executive Chairman

For further information, please contact:

Tony Sage
Non-Executive Chairman
International Petroleum Limited
Ph: +61 8 9388 0744

Chris Hopkinson
Chief Executive Officer
International Petroleum Limited
Ph: +44 20 3435 7676

Claire Tolcon
Company Secretary
International Petroleum Limited
Ph: +61 8 9388 0744

David Tasker
Professional Public Relations
Ph: +61 8 9388 0944/ +61 433 112 936
Em: david.tasker@ppr.com.au

Eloise von Puttkammer
Investor Relations
International Petroleum Limited
Ph: +61 8 9388 0744

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 100% equity interest in a licence over the the Yanchinsky block for geological study of subsoil and prospecting for oil and gas in the Khanty-Mansiysk Autonomous Region in Western Siberia (the **"Yanchinsky Project"**).
4. 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.

5. a 75% equity interest in an exploration licence in the Tomsk region of Western Siberia (the “**Tomsk Exploration Licence**” or the “**Druzhny Project**”).
6. 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.