

NSX Announcement
29 April 2011

Quarterly Reports

Please find attached the following reports relating to the quarter ended 31 March 2011:

- Quarterly Disclosure Declaration;
- Quarterly Activities Report; and
- Quarterly Cash Flow.

Yours faithfully
International Petroleum Limited

Tony Sage
Non-Executive Chairman

For further information, please contact:

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

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



29 April 2011

Mr Ian Craig
Companies Manager
National Stock Exchange of Australia Limited
Level 3, 45 Exhibition Street
MELBOURNE
VIC 3000

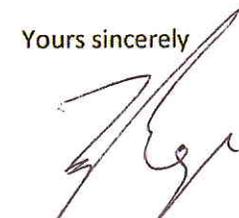
Dear Sir

QUARTERLY DISCLOSURE DECLARATION

In accordance with the listing conditions imposed by the National Stock Exchange of Australia (**NSX**) on International Petroleum Limited (**Company**), on behalf of the Board of the Company we declare that the Board has reviewed the operations of the Company and, in the opinion of each member of the Board:

- (a) all matters that require disclosure have been disclosed by the Company in accordance with Listing Rules of the NSX; and
- (b) the market remains fully informed as to the prospects and activities of the Company.

Yours sincerely


Tony Sage
Non-Executive Chairman
International Petroleum Limited
Chris Hopkinson
Director and Chief Executive Officer
International Petroleum Limited

29 April 2011

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2011

HIGHLIGHTS

- US\$6.5 million cash at bank at 31 March 2011.
- Mr William McAvoek appointed as Chief Financial Officer on 5 January 2011.
- Mr Chris Hopkinson appointed as Chief Executive Officer on 13 April 2011.
- Commenced drilling Well A-3 at the Kazakhstan Project, which was subsequently plugged and abandoned before the target depth was reached owing to an unexpected thick interval of metamorphic formation being encountered.
- Released tenders for the drilling of two wells plus two contingent wells in order to test Mesozoic sandstone formations at the Kazakhstan Project.
- Commenced drilling of two wells at the Krasnoleninskiy Project in West Siberia during April 2011.

CORPORATE

Appointment of Chief Financial Officer

Mr William McAvoek was appointed as an Executive director and Chief Financial Officer of International Petroleum Limited (**International Petroleum** or **Company**) on 5 January 2011. Mr McAvoek is a Chartered Certified Accountant and has worked as Group Financial Controller for exploration companies for over seven years. He spent over three years at Adastra Minerals Inc. (which had dual listings on the TSX and AIM stock exchanges) and, following its takeover in 2006 by First Quantum Minerals Limited, four years at African Minerals Limited (AIM: AMI), an iron ore development company with assets in Sierra Leone, West Africa.

Appointment of Chief Executive Officer

Mr Chris Hopkinson was appointed as an Executive director and Chief Executive Officer of International Petroleum on 13 April 2011. He has 22 years' experience in the oil and gas industry. Mr Hopkinson joins International Petroleum from BG Group, where he was Senior Vice President of North Africa. Before that,

he spent 8 years working in Russia as CEO of Imperial Energy Corporation plc and in senior management positions for TNK-BP, Yukos and Lukoil. Mr Hopkinson started his career with Shell working in various locations worldwide.

Sale of unmarketable parcels of shares

In January 2011, after following the prescribed notice periods and provision of notices to those shareholders who held unmarketable parcels of shares (being shares valued at less than \$500 as at the close of trade on 21 October 2010), the Company completed the sale process and sold 463,905 shares on market on behalf of the relevant shareholders.

EXPLORATION

Alakol Licence Area – Republic of Kazakhstan

The Company, through its wholly owned subsidiary, North Caspian Petroleum Ltd operates and owns a 50% interest in subsoil use rights for the exploration of hydrocarbons in an early stage project in eastern Kazakhstan, bordering the western boundary of the People's Republic of China (**Alakol Licence Area or Kazakhstan Project**). Remas Corporation LLP, a privately owned Kazakhstan company, holds the remaining 50% interest.

On 17 January 2011, the Company began drilling Well A-3 on a Paleozoic prospect in the eastern portion of the Alakol Licence Area, near a number of artesian wells associated with hydrocarbon seeps or oil films. However, after drilling through more than 500 metres of massive Mesozoic-age quartzite and silicified sandstones, not seen in previous Wells A-1 and A-2, before intersecting Paleozoic-age volcanic sediments, the decision was made to plug and abandon the well at 1,066 metres. No shows of hydrocarbons were seen during drilling. Though planned for a total depth of 2,600 metres, the unexpected thick interval of metamorphic formations encountered provided clear evidence that the intense heat and pressure associated with mountain building during the Paleogene period, in the eastern portion of the Alakol Basin, destroyed any existence of reservoir rock properties in the A-3 well area. Consequently, during March 2011, the Company made the decision to stop drilling and abandon the well.

Further drilling, including the re-entry of Well A-2, which had been planned for this spring, will be delayed while further studies of the prospectivity of the Paleozoic are completed.

Based on a recently completed independent seismic interpretation, incorporating the results from drilling three wells, the Company will now focus on drilling for the thick Mesozoic sediments encountered in Well A-3, in areas away from the possible effects of metamorphism, where it is believed reservoir-quality formations could be present. The new Mesozoic drilling program of two wells and two contingent wells, to a depth of approximately 2,000 metres each, has been released for tendering with plans to begin drilling late in the second quarter or early in the third quarter of this year (Figure 1).

Additionally, a 3D seismic program of up to 500 km² is planned, contingent on positive drill results from either of the first two wells in the new Mesozoic drilling program. The 3D seismic study (if completed) will allow for immediate movement towards an appraisal drilling program in 2012.

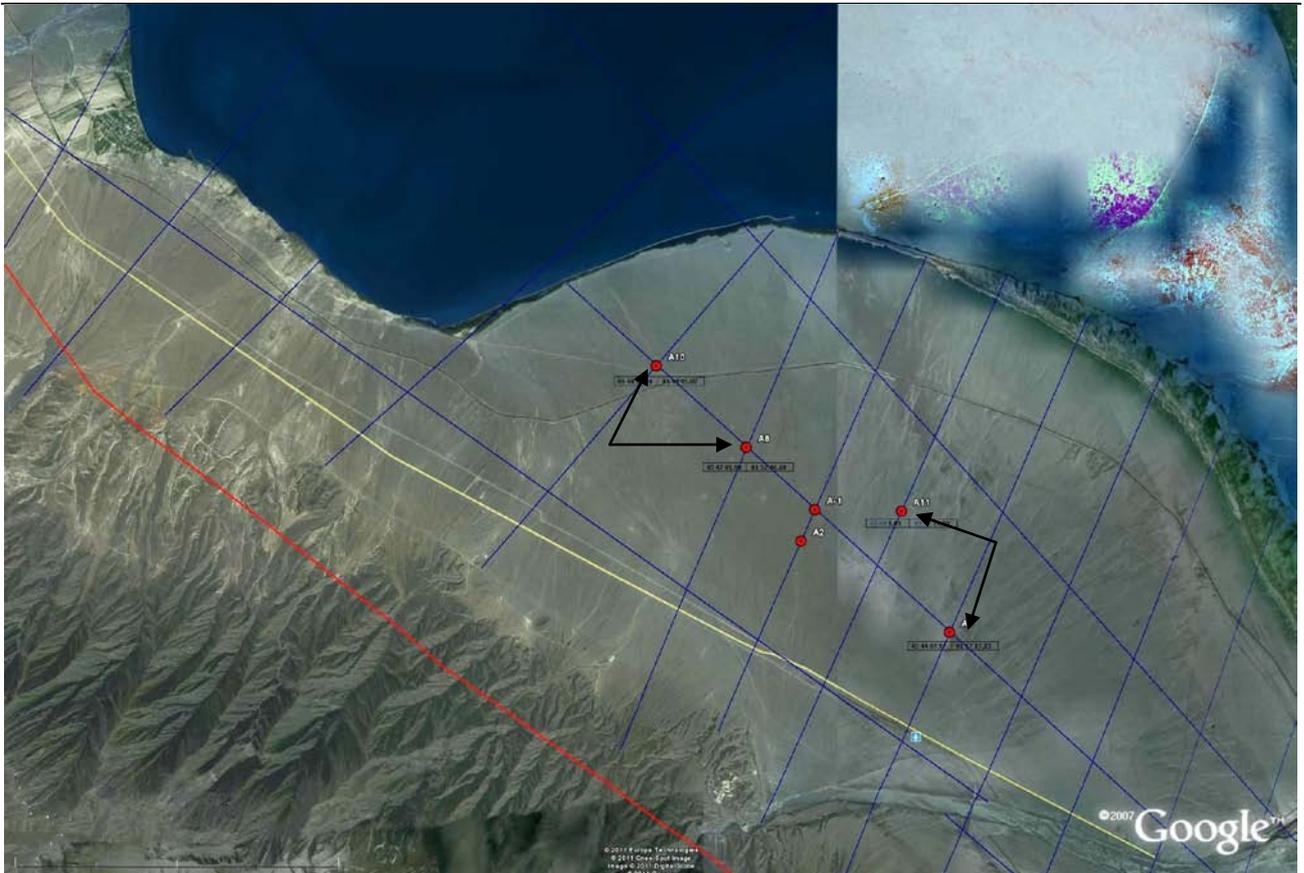


Figure 1: Locations for 2011 Drilling Program

Krasnoleninskiy Licence Area – Russia

The Company, through its wholly owned subsidiary, IPL Siberia Ltd, owns a 75% equity interest in Souville Investments Ltd (**Souville**). Souville is the 100% legal and beneficial holder of Irtysh-Neft, a Russian company having exploration rights to four blocks in Western Siberia (**Krasnoleninskiy Project**). Assuryan Assets Ltd holds the remaining 25% interest in Souville and, by extension, the Krasnoleninskiy Project. The four blocks comprising the Krasnoleninskiy Project cover a total area of 1,467 km² and are located in the Khanty-Mansiysk Region in Western Siberia, the largest oil-producing region of Russia.

In late December 2010, a turn-key drilling contract with Pravdinskaya Expedition LLP was signed for the drilling of two wells, one on each of Blocks 7 and 8 of the Krasnoleninskiy Project. Preparation of winter access roads and well site construction commenced in January 2011, and mobilisation of drilling rigs and other service equipment followed on schedule.

During April 2011, the Company commenced drilling both Well No. 1 and Well No. 2 at Blocks 7 and 8 respectively. Well No. 1 and Well No. 2 are planned to drill to target depths of 2,850 metres and 2,930 metres respectively in order to investigate formations ranging in age from Cretaceous down through the weathered crust of the Paleozoic. These two wells are expected to reach their target depths by the end of the second quarter (Figure 2).

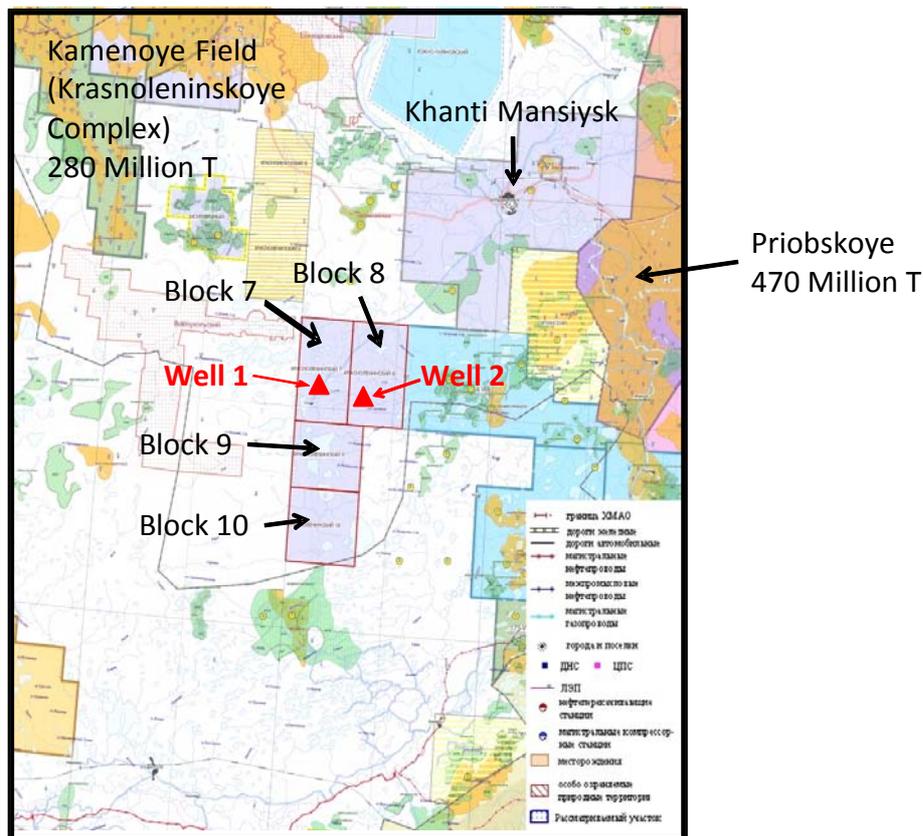


Figure 2: Location Map of Krasnoleninskiy Project and Wells 1 and 2

The area comprising the Company's four licence blocks has been extensively surveyed by 1,450 metres of closely-spaced 2D seismic, which identified more than thirty prospects, including five "superstructures". Within these superstructures, there are a number of potential reservoirs, ranging in age from Paleozoic to Cretaceous, stacked upon each other, offering the potential of multiple producing zones in a single well. Ryder Scott Company-Canada (**Ryder Scott**), an independent oil and gas consultant, estimated the unrisks prospective (undiscovered recoverable) resources of the four blocks comprising the Krasnoleninskiy Project at 169 (Low Estimate), 260 (Best Estimate) and 385 (High Estimate) million barrels¹. Based on the undiscovered, unrisks resource estimates and scoping level economic evaluation reports from Ryder Scott, the Company believes that the Krasnoleninskiy Project has significant exploration potential.

The current approved work program requires the drilling of two wells on the Krasnoleninskiy blocks by 30 June 2012 and drilling two additional wells by 30 December 2012 (**Current Work Program**) and the Company plans to satisfy the Current Work Program by drilling Wells No. 1 and No. 2 during 2011 and two additional wells during 2012.

BUSINESS DEVELOPMENT OPPORTUNITIES

Whilst the Company is focused on exploration at its Kazakhstan Project and Krasnoleninskiy Project, it continues to review nearby or similar provinces for opportunities to acquire additional exploration projects.

¹ It should be noted that the resources prospects evaluated are all seismic features, which have not been penetrated by any wells. It should be clearly understood that the resources are undiscovered and the project is a medium-high risk exploration play. There is no certainty that any portion of the undiscovered resources will be discovered and that, if discovered, may not be economically viable or technically feasible to produce any of the resources.

Tony Sage

Non-Executive Chairman

For further information, please contact:

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

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

Quarterly Report

Name of entity

INTERNATIONAL PETROLEUM LIMITED

ABN

76 118 108 615

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter US\$'000	Year to date (3 months) US\$'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(380)	(380)
(b) advertising and marketing	(13)	(13)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(2,197)	(2,197)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	157	157
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
(a) Payments for exploration	(3,748)	(3,748)
(b) Payments for business development	(63)	(63)
Net operating cash flows	(6,244)	(6,244)

	Current quarter US\$'000	Year to date (6 months) US\$'000
1.8 Net operating cash flows (carried forward)	(6,244)	(6,244)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(3)	(3)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)		
(a) Performance bonds put in place	(122)	(122)
Net investing cash flows	(125)	(125)
1.14 Total operating and investing cash flows	(6,369)	(6,369)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	(6,369)	(6,369)
1.21 Cash at beginning of quarter/year to date	12,822	12,822
1.22 Exchange rate adjustments to item 1.21	139	139
1.23 Cash at end of quarter	6,592	6,592

Payments to directors of the entity and associates of the directors**Payments to related entities of the entity and associates of the related entities**

		Current quarter US\$'000
1.24	Aggregate amount of payments to the parties included in item 1.2	132
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

US\$131,654 has been paid to directors during the quarter for the provision of their services as directors.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available US\$'000	Amount used US\$'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter US\$'000	Previous quarter US\$'000
4.1	Cash on hand and at bank	6,412	5,529
4.2	Deposits at call	180	7,293
4.3	Bank overdraft		
4.4	Other (provide details)		
Total: cash at end of quarter (item 1.23)		6,592	12,822

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	N/A	N/A
5.2	Place of incorporation or registration	N/A	N/A
5.3	Consideration for acquisition or disposal	N/A	N/A
5.4	Total net assets on acquisition	N/A	N/A
5.5	Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to NSX.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Claire Tolcon
(Company secretary)

Date: 29 April 2011

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** NSX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.