

NSX Announcement
30 April 2013

Quarterly Reports

Please find attached the following reports relating to the quarter ended 31 March 2013:

- Quarterly Activities Report; and
- Quarterly Cash Flow.

Yours faithfully
International Petroleum Limited

Tony Sage
Non-Executive Chairman

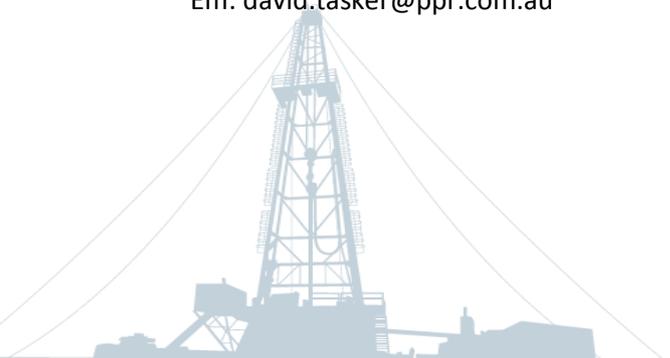
For further information, please contact:

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



NSX Announcement
30 April 2013

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

Quarterly Activities Report for the quarter ended 31 March 2013

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 present its quarterly activities report for the quarter ended 31 March 2013.

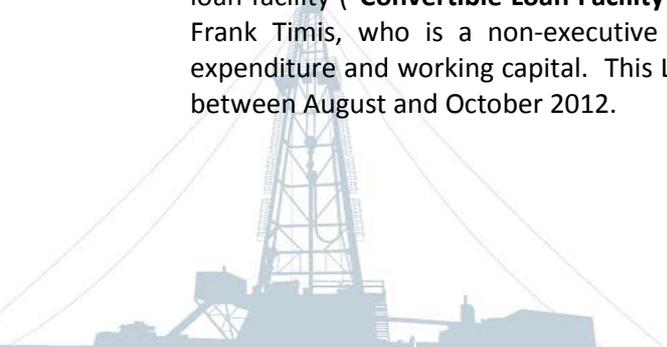
HIGHLIGHTS

- US\$254,000 cash at bank at 31 March 2013.
- Secured additional US\$5.2 million convertible loan facility.
- Mr Mark Ashurst resigned as a Non-Executive Director on 20 February 2013.
- Acquired new exploration licence over the Yanchinsky block in Russia.
- Company’s shares suspension from official quotation on NSX market and potential strategic merger with Range Resources
- Agreed US\$15 million loan from Range Resources Limited.
- Varied terms of US\$10 million loan from African Petroleum Corporation Limited.
- Continued production and sales of oil from well number 52 at the Zapadno-Novomolodezhny field.
- Completed the drilling of well number 39 at its Yuzhno-Sardakovsky field.

CORPORATE

Convertible loan facility

During the quarter ended 31 March 2013, the Company secured an additional US\$5.2 million convertible loan facility (“**Convertible Loan Facility**”) from Varesona Participation Corporation, an entity controlled by Frank Timis, who is a non-executive director and shareholder of the Company, to fund exploration expenditure and working capital. This Loan Facility is additional to the loans entered into by the Company between August and October 2012.



Pursuant to the terms of the Convertible Loan Facility, the amount drawn down under the Convertible Loan Facility ("**Loan Amount**") attracts 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 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.

During the quarter ended 31 March, the Convertible Loan Facility was fully drawn down.

Non-executive director resignation

On 20 February 2013, Mr Mark Ashurst resigned as a non-executive director of the Company and subsidiary companies.

Acquisition of new exploration licence over the Yanchinsky block in Russia

During March 2013, one of the Company's wholly-owned subsidiary companies, Yuzhno-Sardakovskoye LLC, 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.

NSX suspension from official quotation and potential strategic merger with Range Resources

As at 31 March 2013, the Company's shares were suspended, at the Company's request, from trading on the NSX market, pending an announcement by the Company of a transaction is expected to have a material impact on the financial position of the Company.

On 24 April 2013, Range Resources Limited (**ASX: RRS, AIM: RRL**) ("**Range**") announced ("**RRS Announcement**") its intention to undertake a strategic merger to acquire all of the issued shares in International Petroleum either by making an off-market scrip takeover offer to International Petroleum shareholders or by way of scheme or arrangement ("**Merger**"). Range intends to offer three Range shares for every two International Petroleum shares ("**Range Offer**").

In the absence of a superior proposal, the Board of International Petroleum supports and recommends the Range Offer.

As stated in the RRS Announcement, the Merger would create a leading ASX & AIM listed oil and gas company with a strong production growth profile from the ongoing development of its significant reserves and resources base. The key near-term focus of the merged entity would be the expansion and development of the projects in Trinidad, Russia and onshore Africa.

The Merger is subject to the satisfaction of the following conditions:

- (a) if undertaken by way of an off-market takeover bid, minimum acceptance by International Petroleum shareholders of 51% or, if undertaken by way of scheme of arrangement, the necessary approval from International Petroleum shareholders at an extraordinary general meeting;
- (b) confirmatory due diligence by Range on International Petroleum and its assets;
- (c) an acceptable relationship agreement ("**Relationship Agreement**") being entered into with Mr Frank Timis, a director and the major shareholder of International Petroleum, with a current 37.7% shareholding via Safeguard Management Limited. As a result of the proposed Merger and the issue of new Range shares pursuant to a proposed A\$20 million equity placing, Mr Timis would ordinarily end up with a shareholding of approximately 14% in the enlarged Range. The Relationship Agreement will be entered into pursuant to which (i) Mr Timis's shareholding in Range at the time of completion of the proposed Merger will be below 10% through a sell down or other arrangement, and (ii) Mr Timis will not seek to appoint any directors to the board of Range or otherwise influence or become involved in the management of Range. The precise terms of such Relationship Agreement are yet to be agreed, but will be disclosed in the proposed takeover or scheme documentation.
- (d) all necessary consents and approvals for the Merger (if any) including any regulatory approvals being obtained;
- (e) Range maintaining its ASX and AIM listings; and
- (f) Range completing a capital raising of A\$20 million at A\$0.059 (GB£0.04) and providing US\$15 million to International Petroleum by way of a loan secured over International Petroleum's Russian assets (see below). Range has received commitments from a number of institutional investors to raise approximately A\$20 million through the issue of approximately 338.983 million Range

ordinary shares at an issue price of £0.04 per share (A\$0.059) ("**Placement Shares**") along with an attaching unlisted warrant for every two shares subscribed for (with exercise price of GBP£0.04 per warrant and expiry date of 30 April 2016) ("**Placement**") with the warrants subject to Range shareholder approval. Application will be made by Range for the Placement shares to be admitted for trading on the ASX and AIM markets, with trading in the Placement shares expected to commence on or around 29 April 2013. Funds raised by Range through the Placement will be used to fund a secured loan to International Petroleum (see below) and for Range's operational and working capital requirements.

Loan from Range Resources

Range has agreed to advance a total of US\$15 million of the Placement proceeds to International Petroleum by way of a secured loan in the coming days ("**Loan**"). International Petroleum will use these monies to repay debt and meet working capital requirements. Security over International Petroleum's Russian assets will be provided by International Petroleum to Range.

The Loan will bear a coupon interest rate of 8% per annum and, in the event that the proposed Merger is not completed, will be repayable by the earlier to occur of (a) 30 April 2014 and (b) in the event of a default by International Petroleum, five business days after the date on which International Petroleum receives a notice from Range requesting repayment.

The Company anticipates that trading in its securities will resume following receipt of the Loan proceeds from Range.

Loan from African Petroleum Corporation Limited

During April 2013, the Company agreed with African Petroleum Corporation Limited ("**APCL**") to vary the terms of the US\$10 million loan ("**APCL Loan**") owed by the Company, such that:

- (a) an additional commitment fee of US\$100,000 is payable by the Company to APCL,
- (b) the repayment date is extended to the earlier of (i) 31 December 2013; (ii) the date of the receipt by the Company of A\$45,000,000 pursuant to the terms of the Nkwe Agreement; and (iii) the date the Company completes a raising of funds by way of a public offering of shares,
- (c) the Company's wholly owned subsidiary company, International Petroleum Limited, registered in the Cayman Islands under company number 244385 ("**IPL Cayman**"), entered into a deed of guarantee in favour of APCL and a deed of charge over certain assets of IPL Cayman in favour of APCL as security for the APCL Loan, and
- (d) APCL released from the fixed and floating charge dated 16 May 2011 between the Company and IPL all the secured property, except all the Borrower's shares in IPL Cayman and any proceeds, dividends, distributions and other rights and benefits arising from or in connection with the Company's shares in IPL Cayman.

EXPLORATION AND PRODUCTION

Yuzhno-Sardakovsky and Zapadno-Novomolodezhny Projects (in Western Siberia, Russia)

The Company is 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**").

In the period from 1 January 2013 to 31 March 2013, the Company produced 10,800 barrels of oil from well number 52 at the Zapadno-Novomolodezhny field at an average flow rate of 120 barrels per day. By 31 March 2013, the Company had sold almost all of this crude oil to local offtakers. During April 2013, the

production of oil from well number 52 was temporarily suspended, pending the Company has raised sufficient financing to recommence oil production later in the year.

During the quarter ended 31 December 2013, the Company completed the drilling of well number 39 at its Yuzhno-Sardakovsky field to its final depth of approximately 3,500 metres. Like wells number 34 and 38, which were drilled at the end of 2012, well number 39 is an appraisal well that was drilled 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. Testing of the well continues.

The commencement of oil production in the Yuzhno-Sardakovsky block is expected to occur by April 2014. The nearest oil pipelines are 16 km from the block and the nearest hard-surface road is 11 km from the block.

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.
7. a 100% interest in four production sharing contracts and four Exclusive Exploration Authorisations relating to four blocks in the Republic of Niger known as Manga 1, Manga 2, Aborak and Ténéré Ouest (the **“Niger Project”**).

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.

Quarterly Report

Name of entity

INTERNATIONAL PETROLEUM LIMITED

ABN

76 118 108 615

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date (3 months)
	\$US'000	\$US'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(94)	(94)
(b) advertising and marketing	(7)	(7)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(161)	(161)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	6
1.5 Income taxes paid	(6)	(6)
1.6 Other (provide details if material)		
(a) business development	-	-
Net operating cash flows	(262)	(262)

	Current quarter \$US'000	Year to date (3 months) \$US'000
1.7 Net operating cash flows (carried forward)	(262)	(262)
Cash flows related to investing activities		
1.8 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(8)	(8)
(e) other non-current assets	-	-
(f) exploration and evaluation expenditure	(4,825)	(4,825)
1.9 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)		
(a) performance bonds put in place	-	-
(b) performance bonds relinquished	-	-
(c) security for facilities put in place	-	-
(d) security for facilities relinquished	-	-
Net investing cash flows	(4,833)	(4,833)
1.13 Total operating and investing cash flows	(5,095)	(5,095)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc (net of costs)	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	5,000	5,000
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Interest and other costs of finance paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	5,000	5,000
Net increase (decrease) in cash held	(95)	(95)
1.21 Cash at beginning of quarter/year to date	375	375
1.22 Exchange rate adjustments	(26)	(26)
1.23 Cash at end of quarter	254	254

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	34
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\$97,017 of has been paid to directors during the quarter for the provision of their services as directors, of which US\$63,061 is included in item 1.8 (g) within investing cash flows and \$33,946 is included in item 1.2 (a) within operating cash flows.

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	Nil ¹	21,200
3.2	Credit standby arrangements	-	-

¹ Loan facilities including convertible loans have been drawn down in full.

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	382	382
4.2	Deposits at call	-	-
4.3	Bank overdraft	(7)	(7)
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		375	375

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	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.

Print name: Claire Tolcon

Date: 30 April 2013

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.