



IPB

IPB PETROLEUM LTD
(ABN 52 137 387 350)

QUARTERLY REPORT & APPENDIX 5B

JUNE 2015

Date: 15 July 2015



15 July 2015

(ASX CODE: IPB)

JUNE 2015 QUARTERLY REPORT

SUMMARY OF KEY EVENTS FOR THE QUARTER

- IPB Petroleum (IPB or the Company) received approval from the Joint Authority for a variation to the WA-424-P permit Secondary Term work programme, commencing 13 April 2015.
- The Company completed a resources assessment for Idris prospect.
- Approval was obtained from the Joint Authority for a Suspension and Extension for the permit WA-471-P and WA-485-P's work programmes.
- New seismic Inversion studies covering the Idris prospect commenced with ERC Equipoise.
- Initial Idris well design and costings analysis commenced with AGR.
- WA-424-P farmout preparations commenced.

PERMIT ACTIVITIES DURING THE QUARTER

WA-424-P Permit (IPB 100%, and Operator)

Permit Secondary Term

IPB received approval from the Joint Authority for a variation to the permit's Secondary Term work programme commencing April 13, 2015. The revised work programme includes seismic reprocessing and inversion analysis within the first year (Permit Year 4), with an exploration well to be drilled in the third year of the Secondary Term (Permit Year 6). During the Secondary Term, entry into Permit Years 5 and 6 are at the discretion of the permit holder.

It is IPB's objective to bring forward the drilling of an exploration well (on the Idris prospect) through a work carry resulting from a planned farmout process.

Idris Resources

During the quarter IPB also completed an internal assessment of the resources associated with the Idris prospect, including risking, estimating commerciality thresholds and conceptual field development NPV's. As a result Idris Prospective (plus Contingent) Resources* for Idris were estimated to be in the range of 13.5 to 78.3 MMbbls of oil for Low (P90) – High (P10) ranges (unrisked). The Company also completed an internal review of the resources estimated for the balance of the Company's prospects and leads.

* Refer to IMPORTANT NOTE: RESOURCES

Inversion and other Studies

IPB engaged ERC Equipoise Limited, an independent reservoir evaluation company to carry out further seismic inversion studies on the WA-424-P 3D seismic data around the Gwydion oil discovery. The aim of these studies is to improve the resolution of the seismic data in order to better delineate the extent of the interpreted oil sand relating to the Idris prospect.

During the quarter the Company also initiated well design and costings work for the proposed Idris well with AGR.

IPB expects to commence the proposed farmout process once the results of this inversion project are finalized and available for inclusion in the farmout data room.

Pryderi Well reports

The previous permit Operator, finalized the Pryderi-1 well completion report, and final EP compliance report which was then lodged with NOPTA, and NOPSEMA respectively

.WA-471-P (IPB 100% and Operator) and WA-485-P (IPB 100% and Operator)

Applications were lodged and approved by the Joint Authority for a 12 month Suspension and Extension to work programmes for each of these permits. The revised work programme for WA-485-P also included a variation increasing the Permit year 2 (ending 13 May 2016) seismic commitment from 610 sqkm to 900sqkm.

Discussions with a potential seismic contractor also recommenced during the quarter.

ACTIVITIES – CORPORATE AND FINANCIAL

As at 30 June 2015 the Company held \$1.73 million in cash. (Refer to the attached Appendix 5B).

In recognition of the current environment, IPB has continued to manage costs whilst maintaining the requisite level of activity within each of its permits in accordance with its stated strategy. As a result the Company has managed to reduce its budgeted projected monthly expenditure by approximately 40% in comparison with that of the previous financial year.

During the quarter the Company also entered into more flexible working arrangements with both the Managing Director and Technical Director. These new agreements with the founding directors, who both remain major shareholders are aimed at placing IPB in the best possible position to capitalize on its existing and potential future opportunities.

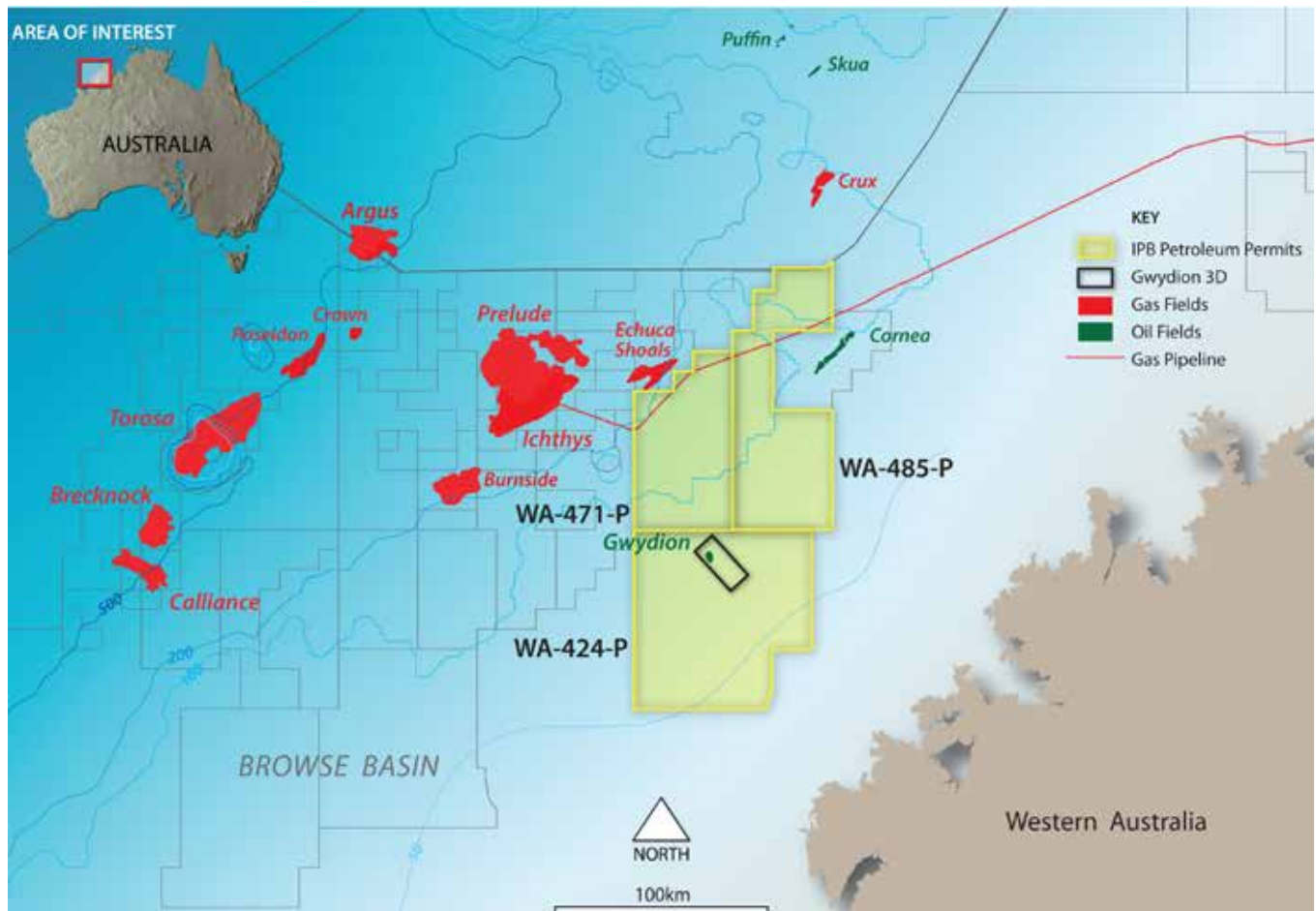
During the quarter 150,000 Employee Options with an exercise price of 75 cents and expiry date of 23 January 2016 lapsed.

About IPB Petroleum

IPB Petroleum is an Australian conventional oil exploration company that has built a strategic position in what it believes to be a potential new oil fairway along the south margin of the Browse Basin offshore North West Australia.

Brendan Brown
Managing Director

For further information contact Brendan Brown, Managing Director +61 3 9598 0188 or admin@ipbpet.com.au



IPB Petroleum Permits Browse Basin Offshore North West Australia

*** IMPORTANT NOTE: RESOURCES**

For further details on IPB's resources please refer to IPB's ASX Release titled "IPB Resources Update Including High Graded Idris Prospect" dated 18 May 2015 which also makes reference to the Independent Technical Expert's Report by ISIS published in IPB's Prospectus dated 1 March 2013 .

The resources quantities contained within these documents have been prepared in full compliance and adherence to the Society of Petroleum Engineers Guidelines for the application of the Petroleum Resources Management System (SPE-PRMS) www.spe.org .

IPB Petroleum is not aware of any new information or data, that materially affects the information relating to these resources, since this release to the market, and all material assumptions and technical parameters underpinning these estimates continue to apply and has not materially changed.

Prospective Resources are estimated quantities of petroleum that may be potentially recovered by the application of future development project(s) that relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration and appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

IPB PETROLEUM LIMITED

ABN

52 137 387 350

Quarter ended ("Current Quarter")

30th June 2015

Consolidated statement of cash flows

| Cash flows related to operating activities | Current Quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| 1.1 Receipts from product sales and related Debtors | - | - |
| 1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration | (217) - - (244) | (872) - - (1523) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 8 | 64 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other (R & D Tax Incentive) | - | 201 |
| Net Operating Cash Flows | (453) | (2,130) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets | - - - | - - - |
| 1.9 Proceeds from sale of: (a) prospect (b) equity investments (c) other fixed assets | - - - | - - (6) |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (provide details if material) | - | - |
| Net investing cash flows | - | - |
| 1.13 Total operating and investing cash flows (carried forward) | (453) | (2136) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|---|--|-------|--------|
| 1.13 | Total operating and investing cash flows (brought forward) | (453) | (2136) |
| Cash flows related to financing activities | | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | 1,132 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (provide details if material) | - | - |
| | Net financing cash flows | - | 1,132 |
| | Net increase (decrease) in cash held | (453) | (1004) |
| 1.20 | Cash at beginning of quarter/year to date | 2181 | 2,732 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 1728 | 1728 |

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 \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 199 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | Nil |

1.25 Explanation necessary for an understanding of the transactions

Executive Director salaries and Non-executive Director fees paid

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

None

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

During the quarter, CalEnergy continued to make payments relating to the December quarter drilling of the Pryderi-1 exploration well in WA-424-P in accordance with the original Farmin Agreement between the parties. IPB Petroleum's estimate of the outlays made by CalEnergy during the June quarter associated with this activity to be approximately \$0.8 million.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | Nil | N/A |
| 3.2 Credit standby arrangements | Nil | N/A |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 180 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 190 |
| Total | 370 |

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 \$A'000 | Previous quarter \$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 1,728 | 2,181 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 1,728 | 2,181 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|-------------------------------|----------------------------------|----------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed | No change | | |
| 6.2 | Interests in mining tenements acquired or increased | No Change | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|---|---------------------------------------|---------------|---|--|
| 7.1 Preference securities <i>(description)</i> | None | | | |
| 7.2 Changes during quarter | N/A | | | |
| 7.3 *Ordinary securities | 113,668,586 | 113,668,586 | Not required | Fully paid |
| 7.4 Changes during quarter | No change | +56,892,578 | - | - |
| 7.5 *Convertible debt securities <i>(description)</i> | None | | | |
| 7.6 Changes during quarter | N/A | | | |
| 7.7 Options <i>Employee Options –</i> | 150,000 of 75 c ex price, 23 Jan 2016 | - | - | |
| 7.8 Issued during quarter | Nil | | | |
| 7.9 Exercised during quarter | Nil | | | |
| 7.10 Expired during quarter | 150,000 of 75 c ex price, 23 Jan 2016 | - | - | |
| 7.11 Debentures | None | | | |
| 7.12 Unsecured notes | None | | | |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date:
(Director)

Print name: Brendan Brown

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.

+ See chapter 19 for defined terms.

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

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