



IPB Petroleum Limited

ABN 52 137 387 350

CHAIRMAN'S ADDRESS TO THE 2015 ANNUAL GENERAL MEETING OF SHAREHOLDERS

Good morning fellow shareholders.

The past year has been very challenging not only for IPB but also for the entire upstream oil and gas industry worldwide as crude oil prices fell to levels not seen since the GFC. At last year's AGM we had just received the disappointing news of the Pryderi-1 well results and experienced the subsequent impact on the company's share price.

While such events inevitably reflect the fluctuating fortunes of any listed exploration company, your directors committed to actively pursue strategies to recover value for shareholders. I am satisfied that we have diligently undertaken the necessary efforts to identify and progress potential opportunities to attract industry and investor interest and kept the market adequately informed.

As foreshadowed last year, we updated our interpretations and models and reviewed how best to evaluate the potential of our three large permits WA-424P, WA-471P and WA-485P. We have continued to apply advanced technology to establish that despite the results of our first exploration well, genuine opportunities for oil development remain in our Browse Basin permits and our immediate focus, ably led by the executive directors, has been directed towards WA-424P and the proposed Idris appraisal well. Phil and Brendan have demonstrated that the existing discovery at Gwydion made by BHP Petroleum in 1995 is potentially much larger than previously considered: while the gas cap encountered in Gwydion is interpreted to conform to structural closure, the oil leg consequently must extend beyond closure and be trapped stratigraphically to create a potentially larger, commercially viable accumulation with significant upside. We have named this opportunity Idris.



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Once this significant potential was recognized, the company's focus has been to seek funding for the drilling of the Idris-1 well. The immediate task has been to prepare a farm out package and market the proposal to industry: the objective being to attract a more substantial industry player to earn an interest in the permit by committing to the drilling of the Idris well and carry IPB's share of costs. Once again the executive directors have been outstanding with presentations at industry conferences as well as detailed reviews to a number of international and domestic companies. We are pleased that we have achieved some traction with several reputable potential joint venturers but the process is usually and necessarily time-consuming as companies conduct their own reviews, due diligence and approvals.

I am also gratified that we have progressed these technical and commercial efforts while significantly constraining our costs: we will continue to manage our capital judiciously so we can ensure all avenues have been explored to create value for our shareholders: sitting on our hands is not an option and certainly not in your interests.

As we look forward, there is encouragement, not without commensurate risks I hasten to add, such that we remain hopeful of an improved future for IPB. As previously disclosed and as a contingency, we have restructured the remuneration arrangements for all the directors to further reduce budgeted cash costs and we will continue to closely monitor the company's situation. Your directors are keenly aware of their responsibilities and have been conscientious in their deliberations to ensure that all appropriate options are considered: I thank them for their constructive contributions in a challenging year and trust that 2016 will be kinder to us all.

Bruce McKay
Chairman

17 November 2015