

22 May 2017

ASX ANNOUNCEMENT (ASX CODE: IPB)

PLACEMENT COMPLETED TO RAISE \$0.7 MILLION AND BUSINESS DEVELOPMENT PROGRESS

IPB Petroleum Limited “IPB Petroleum” (ASX: IPB) is pleased to announce that it has received firm subscriptions for a Placement of approximately 46.67 million new shares to be issued at 1.5 cents per share to institutional, professional and sophisticated investors both domestically and internationally.

The proceeds are intended to fund:

- Investigation and assessment of possible future production related investment opportunities in South East Asia
- The ongoing Browse Basin farmout activities and study work; and for
- General working capital purposes

The Placement managed by Mac Equity Partners received strong support from larger existing and new professional investors.

The Placement price of 1.5 cents represents a 16.7% discount to IPB’s last closing share price on 17 May 2017.

The new shares will be issued in two tranches:

- The first tranche of approximately 28.42 million shares to raise approximately \$426,000 is unconditional and settlement is expected to occur on Wednesday 24 May 2017
- The second tranche of approximately 18.25 million shares to raise approximately \$274,000 is subject to ASX listing Rule 7.1 shareholder approval that is intended to be considered by shareholders at a General Meeting, which is expected to be held on or around 28 June 2017. If approved settlement of the second tranche is expected to then occur on or around Friday 30 June 2017.

Following settlement of the two tranches of the Placement the Company’s issued share capital will expand from approximately 113.67 million ordinary fully paid shares to approximately 160.34 million fully paid ordinary shares.

IPB’s cash balance at end March was approximately \$0.45 million. Following settlement of the two tranches of this Placement the Company’s pro-forma cash balance (end March 2017) will increase to approximately \$1.1 million after fees of approximately 5%.

Business Development Progress

IPB has entered into a Business Development Services Agreement (BDSA) with Lexington Partners Pte Ltd (Lexington) an experienced Oil and Gas Business Development Consultancy to source, investigate, assess and assist IPB to identify and possibly secure a future production or development asset in South East Asia for an initial period of 12 months.



IPB Petroleum

The Lexington team has extensive technical, industry, and financial skills and networks within South East Asia. Initial scoping work conducted by Lexington is considered by IPB to be encouraging.

Under the BDSA Lexington will be paid a monthly fee to provide services to IPB. In addition, and subject to shareholder approval at the proposed General Meeting to be held on or around 28 June 2017, Lexington will be issued with 10 Million Options that may be exercised at 3.2 cents, expiring 17 November 2020, and 15 million Options that may be exercised following a Transaction (as defined in the BDSA) at 3.2 cents each, expiring 17 November 2020.

IPB Petroleum's Managing Director commented: *"We are very pleased with the strong interest received in this Placement as well as our BDSA with Lexington. The new funding support is a positive reflection on the Company's complimentary strategies of farming out its current acreage, and investigating potential future production or development acquisition opportunities. I would like to take this opportunity to welcome our new investors and thank our existing shareholders for their continued support"*

The Company has requested the trading halt be lifted such that IPB shares proceed to trade normally as from the commencement of trading on Monday, 22 May 2017.

Brendan Brown

Managing Director

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