



**IPB**

IPB PETROLEUM LTD  
(ABN 52 137 387 350)

## **QUARTERLY REPORT & APPENDIX 5B**

**for the Quarter Ending 31 March 2018**

Date: 30 April 2018



(ASX CODE: IPB)

30 April 2018

## MARCH 2018 QUARTERLY REPORT

### SUMMARY OF KEY EVENTS FOR THE QUARTER

- 3D Seismic reprocessing and depth conversion project in WA-424-P completed and interpretation finalized revealing a positive result for Gwydion /Ildris oil resources and planned farmout.
- Renewal and partial relinquishment application submitted to NOPTA for WA-424-P to renew the permit for a further 5 years. The application is currently with the Joint Authority for a decision.
- Seismic contractor discussions continued albeit at a slower pace than expected.
- Consideration of complementary business development activities continued.
- Resource review commenced and near completion.

### WA-424-P

#### *Successful Reprocessing and Depth Conversion Project*

During the quarter the 3D seismic reprocessing and depth conversion project of 75 km<sup>2</sup> over the Ildris prospect and Gwydion oil discovery ( the “Seismic DC Project” ) was completed with successful results. The key outcome being that the oil discovered in the Gwydion exploration well is now confidently mapped to lie below structural closure such that the oil discovered is now more likely to be stratigraphically constrained in a much larger accumulation than that defined by the simple Gwydion structure.

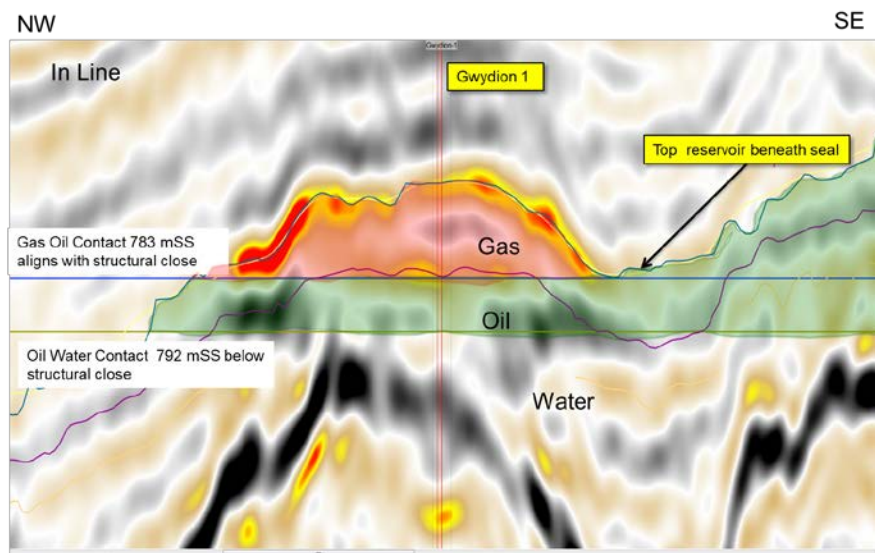


Figure 1 : 3D Seismic Line ( in depth) with oil and gas and water contacts superimposed as measured in the Gwydion 1 well

IPB is currently revising its resources estimates, and expects update the market in the near term on oil resources at Gwydion/Ildris once this work is completed. The successful results of this depth conversion project are expected to bode well for the Company's farmout process.

### ***Farmout Process***

The Company expects to initiate an updated farmout process commencing May 2018 on the back of the successful Seismic DC Project. IPB has been approached by interested parties since quarter end requesting early access to its data room to review the results of the project.

The Company's proposal for Farmout involves the funding by the Farminee of the drilling of an appraisal well at Ildris to validate the updip potential of the oil leg encountered at Gwydion as well as verify the likely minimum commercial volumes. Well costs for this well are estimated to be around US\$12m, and IPB will also be seeking a re-imbusement of certain backcosts in exchange for an interest in its WA-424-P Permit.

### ***Permit Renewal***

The Company lodged the requisite partial relinquishment and renewal application with NOPTA at the beginning of March. As at the date of this report its application and supporting documentation has been referred to the Joint Authority for a decision. If accepted by the Joint Authority the Permit would then be renewed for a further 3 years Primary Term, followed by two optional Secondary Term years for an agreed work commitment programme from April 2018 onwards.

### **WA-471-P and WA-485-P**

#### ***Sesimic Survey Planning***

During the quarter the Company continued discussions with a seismic contractor relating to a future survey in WA-485-P and WA-471-P permits as well as a potentially larger survey including WA-424-P. Unfortunately these discussions have not resulted in a fully funded EP as had been initially proposed. Despite this outcome IPB has maintained a positive discourse with the contractor and progressing a proposal for a future survey. As a result of this development IPB has since re-opened discussions more broadly with other contractors.

Since quarter end, and as a response to the difficulties being faced by many industry participants in obtaining Seismic EP's the Company has commenced an initiative to join a consortium for the funding of an EP to enable a future 3D survey in its permits.

### ***Permit Status***

As a result of not being able to acquire a new 3D survey in these two permits, the Company intends to apply to NOPTA for a further 12 month extension to its tenures. This application is planned for lodgement in early May 2018 before the Permits' Years End.

At this stage IPB is not sure whether an extension to these two permits will be granted by the Joint Authority, and as previously advised, there is a risk of forfeiture of these permits. These permits were initially acquired as potential upside exposure to any success in the Company's independently held core WA-424-P Permit referred to above.

As different to WA-424-P these permits currently have no carrying value on the Company's Balance Sheet.

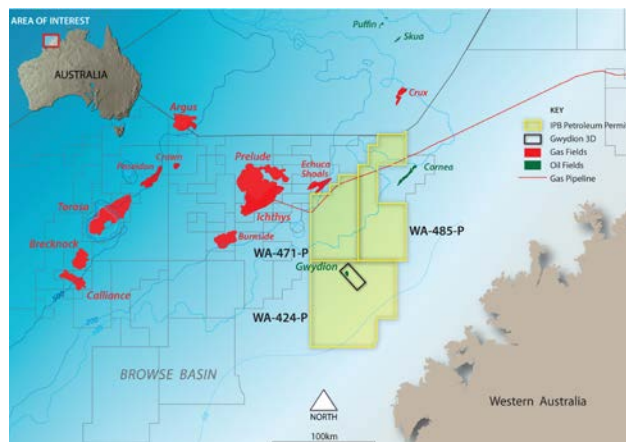
## Activities – Corporate and Financial

During the quarter the Company continued to investigate and progress its complementary business development initiatives. One initiative in the Energy industry has not progressed past the end of the quarter. The Company continues to look at alternatives considering risk, value, dilution and strategic fit amongst other metrics.

As at the end of the quarter IPB Petroleum had a cash balance of \$0.52 million with no debt. For further details refer to the attached Appendix 5B.

## PERMIT HOLDINGS AND INTERESTS AND ACTIVITIES

During the quarter no changes occurred to the interests held by IPB Petroleum (IPB or the Company) in its three petroleum exploration permits. As at the end of the quarter, and also as at the date of this report, the Company held the following interests in three Browse Basin exploration permits: **WA-424-P** (IPB 100% and Operator), **WA-471-P** (IPB 100% and Operator), **WA-485-P** (IPB 100% and Operator)



IPB Petroleum Permits Browse Basin Offshore North West Australia

For further information contact Brendan Brown, Managing Director +61 3 9598 0188 or [admin@ipbpet.com.au](mailto:admin@ipbpet.com.au)

## Appendix 5B

# Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

### Name of entity

IPB Petroleum Limited
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### ABN

52 137 387 350
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### Quarter ended ("current quarter")

31 <sup>st</sup> March 2018
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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(59)	(109)
(b) development	-	-
(c) production	-	-
(d) staff costs	(55)	(115)
(e) administration and corporate costs	(60)	(203)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(174)</b>	<b>(427)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	273
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(7)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>266</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	692	679
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(174)	(427)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	266
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>518</b>	<b>518</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	518	692
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>518</b>	<b>692</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	81
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Executive and Non-Executive Fees Paid.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	90
9.2 Development	
9.3 Production	
9.4 Staff costs	50
9.5 Administration and corporate costs	40
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>180</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-			



**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
(Managing Director)

Date: 30 April 2018.....

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.