



IPB

IPB PETROLEUM LTD
(ABN 52 137 387 350)



QUARTERLY REPORT & APPENDIX 5B

for the Quarter Ending 30 June 2020

Date: 29 July, 2020

JUNE 2020 QUARTERLY ACTIVITIES REPORT

SUMMARY OF KEY EVENTS FOR THE QUARTER

- The Company successfully raised approximately \$0.51 million after costs by way of placement of approximately 51.9 million new shares to new and existing shareholders
- Discussions progressed with existing potential farminees and debt funders as well as an additional potential new funder that has been formally engaged engaged post quarter end
- The Company met with NOPTA to discuss a proposed application to extend the Primary Term work programme for its 100% held WA-424-P Permit
- Further technical and economic analysis was also completed in relation to Permit WA-424-P and the Company's proposed Idris appraisal well.
- IPB continued to progress its future seismic EP application associated work through its NERA consortium membership participation

PERMIT WA-424-P (IPB 100%)

Farmout and Funding Activities

IPB continued to advance discussions with potential funding and farmin partners including the one party with whom it has received non-binding termsheet for the full funding of the Idris appraisal well and associated activities totally approximately US\$25m.

As previously disclosed, the discussion / negotiation phase of this process has been adversely impacted directly and indirectly by the COVID-19 pandemic effects, restrictions and responses internationally.

As at the date of this report, the Company continues to remain positively engaged with more than one potential funder and or farminee.

As stated in previous communications, it is important to note that despite receiving encouragement, at present there are no guarantees that the abovementioned discussions will conclude with a binding acceptable transaction.

Other Permit Related Work

The Company continued to field queries from interested potential funders/farminees, requiring further technical and economic studies to be completed on a success case Idris appraisal well. This updated analysis confirms success case economic profitability at relatively low oil prices on a most likely basis.

During the quarter the Company met with NOPTA, the titles regulator, in relation to a proposed extension application for the WA-424-P Primary Term expiring June 2021. The Primary Term has a firm commitment for the drilling of the Idris appraisal well. IPB intends to apply for an extension to this Primary Term end date as a result of COVID-19 associated delays, during the current quarter.

Through its membership of the NERA consortium the Company continued to progress work during the quarter on a future Seismic EP application covering all of its WA-424-P acreage.

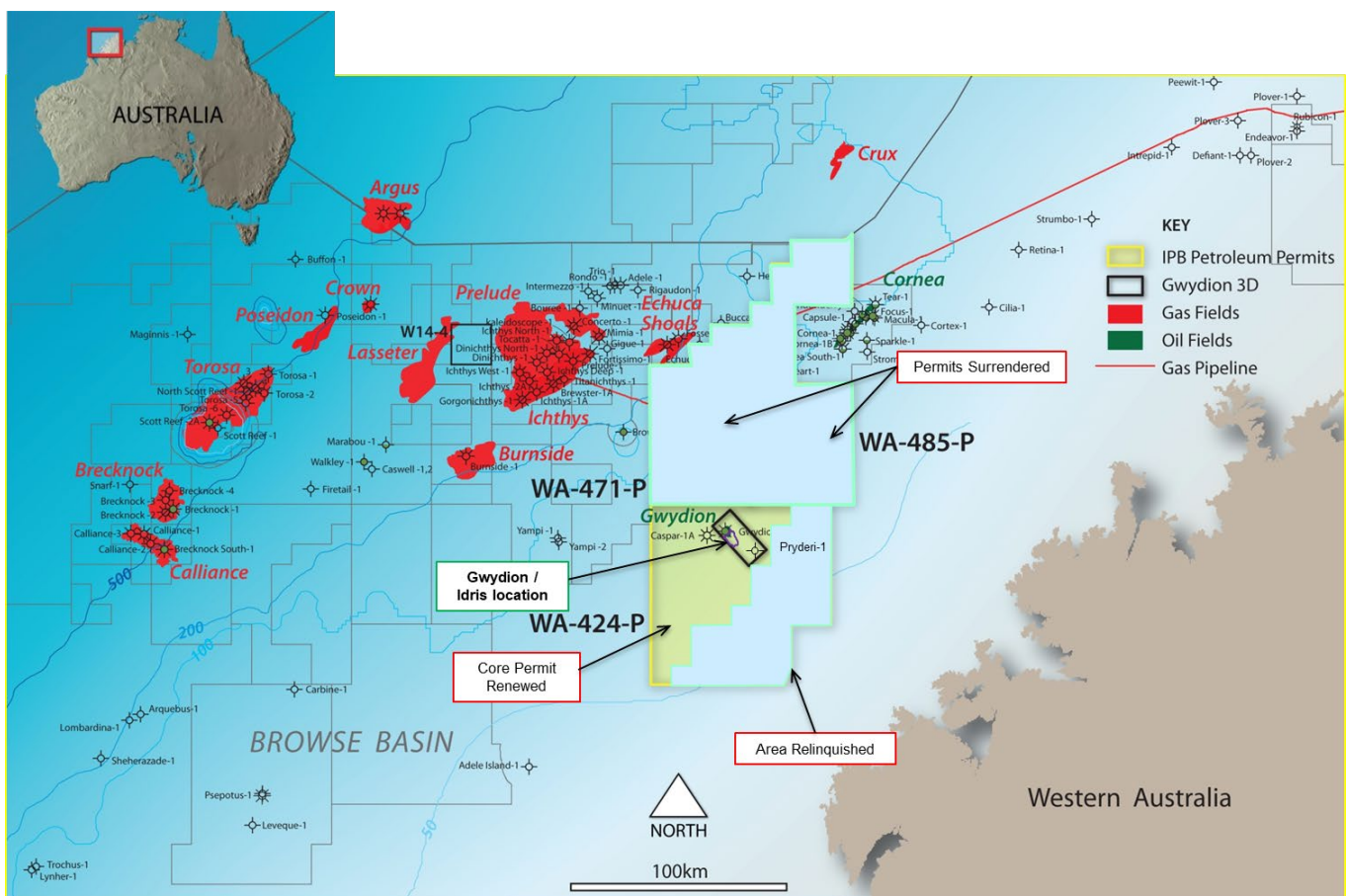
Activities – Corporate and Financial

During the quarter the Company successfully placed 51.9 million new shares approximately \$0.51 million after costs. This capital raising was well supported by new and existing institutional and professional investors.

As at the end of the quarter IPB Petroleum had a cash balance of approximately \$0.69 million with no debt. For further details refer to the attached Appendix 5B.

PERMIT HOLDINGS AND INTERESTS

As at the end of the quarter, and also as at the date of this report, the Company held an interest in the Browse Basin exploration permit **WA-424-P** (IPB 100% and Operator).



Location Map : IPB Exploration Permit WA-424-P – Browse Basin

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

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

IPB Petroleum Limited

ABN

52 137 387 350

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)		
(b) development	-	-
(c) production	-	-
(d) staff costs	(44)	(169)
(e) administration and corporate costs	25	(321)
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 Government grants and tax incentives	10	10
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(9)	(480)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(34)	(329)
(e) investments	-	-
(f) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:	-	-
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) 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)	-	-
2.6 Net cash from / (used in) investing activities	(34)	(329)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	546	546
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(35)	(35)
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)	-	-
3.10 Net cash from / (used in) financing activities	511	511

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	225	991
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(9)	(480)
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)	511	511

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	-	-
		693	693

5. Reconciliation of cash and cash equivalents 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	693	225
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	693	225

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
(43)
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The Payments for items 6.1 above relate to Executive and Non-Executive Fees Paid.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		n/a
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(9)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(34)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(43)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	693
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	693
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	16.1

8.8 **If Item 8.7 is less than 2 quarters**, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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.

Date:29 July 2020.....

Authorised by: Brendan Brown - Managing Director.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.