

30 September 2021

IPB REVISION TO QUAY REMITTANCE DATES - OCTOBER

IPB Petroleum Limited “IPB Petroleum” (ASX: IPB or the Company) announces that it has executed today a variation agreement with Quay Resource Investments (Quay) such that the first tranche of a net US\$ 5 million is to be received no later than 8 October 2021, with the balance of the Tranche A funding of a net US\$25 million to be received during the remainder of October 2021. IPB also advises that it has also lodged its 2021 Annual Report today.

Farmout and Funding Update

The Company announced late last year its farmout to Quay Resource Investments with a two-tiered funding structure where Tranche A to be provided by Quay consists of US\$31 million of which \$6 million is prepaid interest and US\$3.75 million is paid to IPB Petroleum for back costs, leaving US\$21.25 million to be paid towards the Idris appraisal well, a total net of US\$25 million for Tranche A.

If successful Quay then have an option to provide Tranche B funding for the development of the stage 1 of a future development for US\$175m net else they forfeit 15% of the Permit back to IPB. Both Tranches are repayable severally by IPB and Quay according to their future working interest in the WA-424-P permit, with limited recourse to the permit only and out of 100% of the future free cashflow proceeds attributable to the Joint Venture. Quay also have marketing rights to any liquid production from the permit at fair market prices.

Delays with Quay securing its funding, some of it being derived from COVID-19 related travel and other restrictions, has made timing more difficult and delayed receipt of funds by IPB.

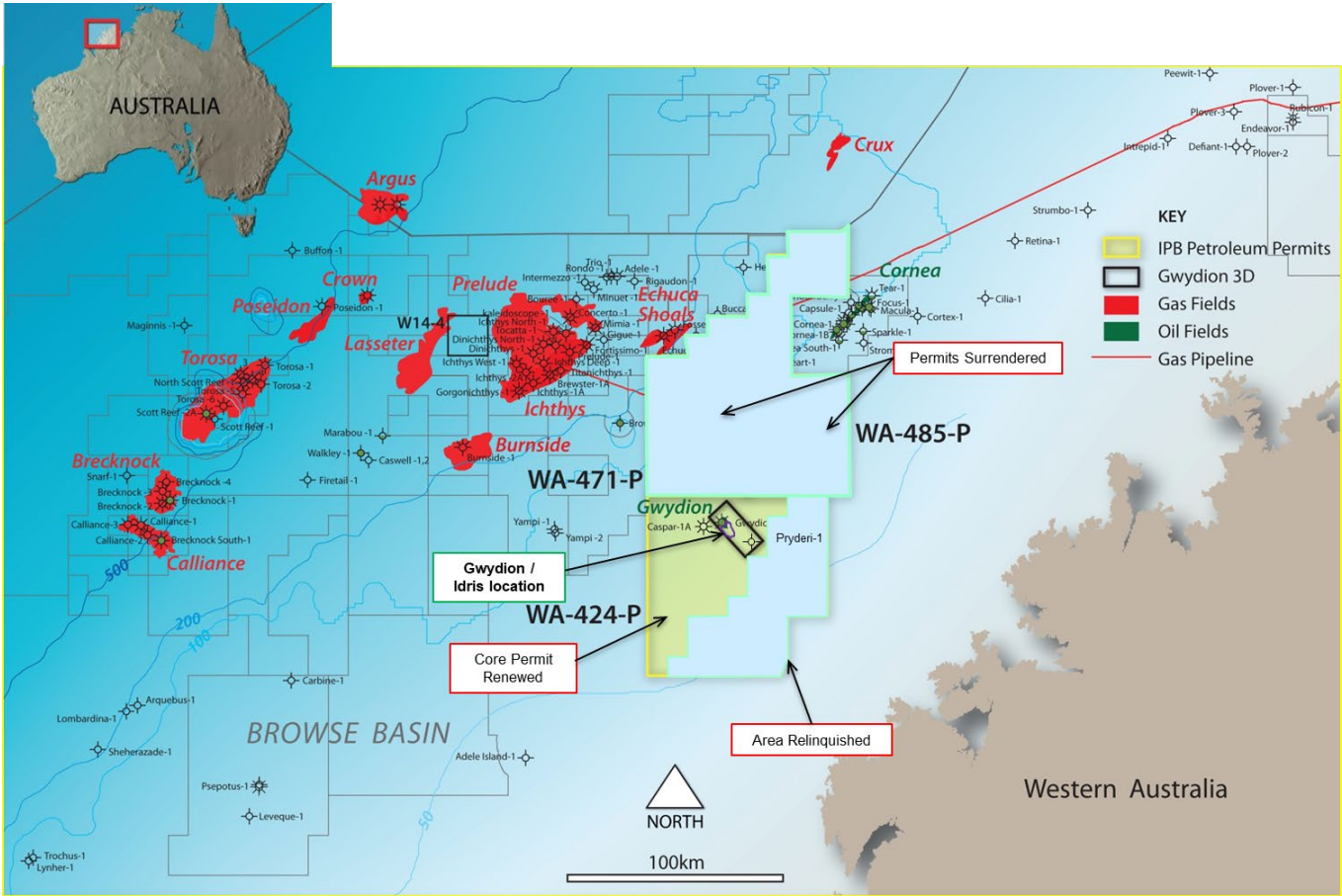
IPB’s Managing Director Brendan Brown commented, *“IPB has exercised much patience in relation to the continued delays in receiving the Idris farmout funding, however it now seems Quay has been able to secure the requisite funding and IPB will be able to proceed on with the Idris appraisal well activities.*

Whilst extremely frustrating at times for both Quay and IPB, we can shortly commence our Idris appraisal well detailed activities, the first being to commence our environmental submissions and refining our proposed well drilling and evaluation programme work. At this stage the company is still targeting 3rd quarter next calendar year, subject to amongst other things approvals and rig availability”

Brendan Brown

Managing Director

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