

11 October 2021

UPDATE TO QUAY PROPOSED REMITTANCE - OCTOBER

Further to IPB Petroleum Limited's (ASX: IPB or the Company) announcement of 30 September 2021, the Company announces that it has been advised by Quay Resource Investments (Quay) over the weekend that there has been several days delay to the transfer of the first agreed remittance of a US\$5 million to IPB in accordance with the Farmout and Funding agreement between the parties. Quay has reaffirmed that the balance of the Tranche A funding of the US\$25 million will be remitted during the remainder of October 2021.

Farmout and Funding Agreement

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 stage 1 of a future development for US\$175m net, else Quay forfeits 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 finalising the remittance to IPB has resulted in several days delay to receiving the first US\$5 million remittance which was as advised last week, expected by 8 October 2021. IPB has now been advised that these funds are due to be remitted this week.

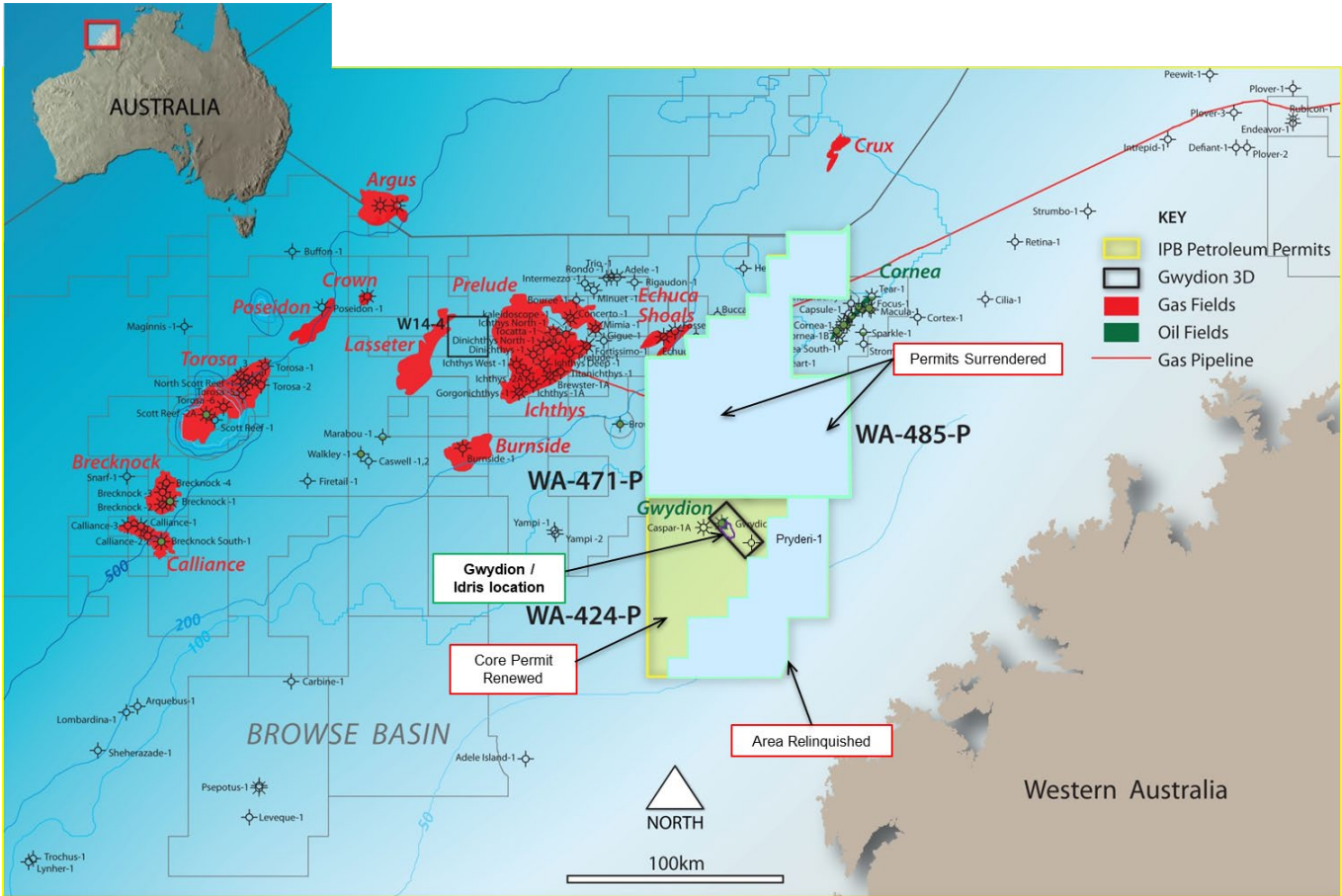
IPB's Managing Director Brendan Brown commented, *"IPB continues to exercise patience in relation to delays in receiving the Idris farmout funding remittances, however the eventual receipt of funding under the terms negotiated will somewhat justify our persistence.*

Following receipt of cleared funding, we can expect to 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 continues to target 3rd quarter next calendar year to spud the Idris well, subject to amongst other things, approvals, rig availability and no further delays to funding"

Brendan Brown

Managing Director

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