
WA-424-P Farmout and Funding Agreement Secured

IPB Petroleum Limited (IPB) is pleased to advise that its wholly owned subsidiary IPB WA 424P Pty Ltd (IPBWA) titleholder and operator of permit WA-424-P has signed a farmout and funding agreement with Quay Resource Investments Pty Ltd (QUAY).

Key summary terms of the agreement are as follows:

- QUAY is an associate of the Quay Corporation (<https://quaycorporation.com/>)
- QUAY will earn a 50% interest in permit WA-424-P (refer Location Map below) for providing debt funding in two tranches to the WA-424-P unincorporated joint venture (JV), (IPBWA 50% and operator, QUAY 50%), for funding 100% of the costs budgeted for the Idris appraisal well and potential future first stage field development.

The funding tranches are summarized as follows:

- A firm Tranche A advance of US\$31 million funding to be applied towards backcosts, interest and the full budgeted cost of the proposed Idris appraisal well (details below)
- Optional Tranche B advance of US\$203 million to be applied towards interest and costs associated with a future development of Idris should a development decision be made by the joint venture following the drilling of Idris (proposed to be drilled in the coming 12 -18 months). If Tranche B is not provided, 15% of the WA-424-P permit is to be transferred back to IPBWA.
- Timing for completion and closing of the transaction is anticipated within the next 4-6 weeks.
- In accordance with the agreement and subject to conditions, QUAY will have an option to market stabilised liquid hydrocarbons from the permit should a development proceed.
- The agreement is conditional upon amongst other standard conditions, the Titles Regulator NOPTA registering QUAY's interest in the WA-424-P Permit.

Brendan Brown IPB's Managing Director commented, *"We are extremely pleased to secure this farmout and funding arrangement with QUAY, our proposed JV partner. We look forward to progressing the planning, technical and commercial work shortly in relation to our proposed Idris appraisal well, which if we are right in our pre-drill studies, may prove to be a real game-changer for further exploration and development in the Browse Basin and for our WA-424-P Joint Venture.*

This transaction not only provides for the costs of drilling and testing Idris, but in the event of a commitment to develop provides an attractive incentive for Quay to provide the necessary capital for funding through to production on pre agreed terms, with repayment to come out of future production net income.”

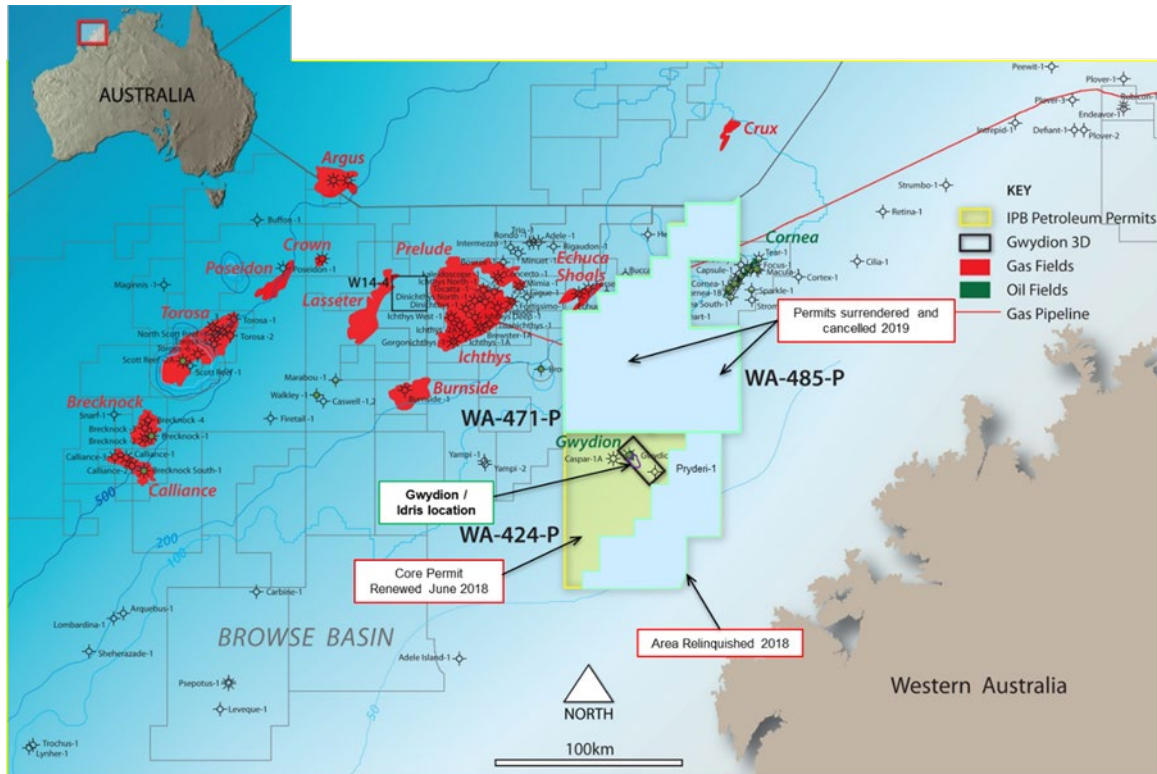


Figure 1 – Location Map IPBWA’s WA-424-P Permit in the Browse Basin offshore North-Western Australia

Futher Details

The funds are provided proportionally to each JV partner severally and each joint venture party is accountable only for repayment of their portion of the finance funds proportional to their working interest.

Tranche A:

- Tranche A (100%) funding is \$US31 million, and it is anticipated that this will be drawn fully within approximately 3 months of completion of the agreements.
- Of the funds advanced, US\$6 million will be allocated to 3 years of prepaid interest
- US\$3.75 million will be allocated to IPB Petroleum Limited for backcost re-imbusement
- US\$21.25 million will be applied towards the budgeted Idris appraisal well costs and planned success-based testing programme activities. IPB currently anticipates the Idris well to be drilled within the next 12-18 months.
- Repayment of the loan funds is to be made out of future project development free cashflows, or in the event Idris is unsuccessful, transfer of IPB’s interest in the WA-424-P permit, unless repaid in cash. Unpaid amounts after the prepaid interest period attract interest at 8% per annum.

- The loan funds under this Tranche have a repayment date of approximately 5 years from the date of the agreement.

Tranche B (Idris successful) :

- Optional Tranche B is for \$US 203 million, and is expected to be drawn fully within approximately 3 months of a commitment by the joint venture to develop Idris. Such a decision is anticipated to be within 9 months of a successful outcome from the drilling and testing of the Idris appraisal well.
- Of the funds advanced, US\$28 million will be allocated to the prepaid interest over 2 years from drawdown date.
- The balance, US\$175 million, will be applied towards the estimated first stage development cost of Idris including FEED and other studies and regulatory processes.
- The loan funds under this Tranche have a repayment date of approximately 10 years from the date of this agreement. As with Tranche A, repayment of the loan funds is to be made out of future project development free cashflows.

As is normal practice in debt financing, IPB Petroleum has provided security over the shares in subsidiary IPB WA 424P Pty Ltd, the holder of the company's WA-424-P interest for its portion of the finance funds. Refinancing is also permitted under the agreements.

The farm in and funding agreement includes other provisions which are customary for an agreement of its type, including farmor warranties.

Proposed Timing

Regulatory and other approvals are expected to take 4 to 6 weeks from the date of this agreement before final settlement can occur.

The likely timing of drilling and associated success-based production testing of Idris is anticipated to be approximately 12-18 months from the date of this agreement, and will be subject to regulatory approvals and the availability of rigs and service contracts. A success-based development could be completed as early as 36 months from the date of a successful well test at Idris.

WA-424-P and Idris

IPB, having completed substantial technical and commercial studies and analysis over the recent years can now, following the establishment of this funding and farmout package, progress its long-proposed appraisal well and, if successful, development of Idris.

The Idris appraisal well is to be drilled just over a kilometre away from the permit's original oil discovery Gwydion-1 (drilled by BHP in 1995) to test the updip extension of this known oil accumulation (refer Figure 2 overpage)

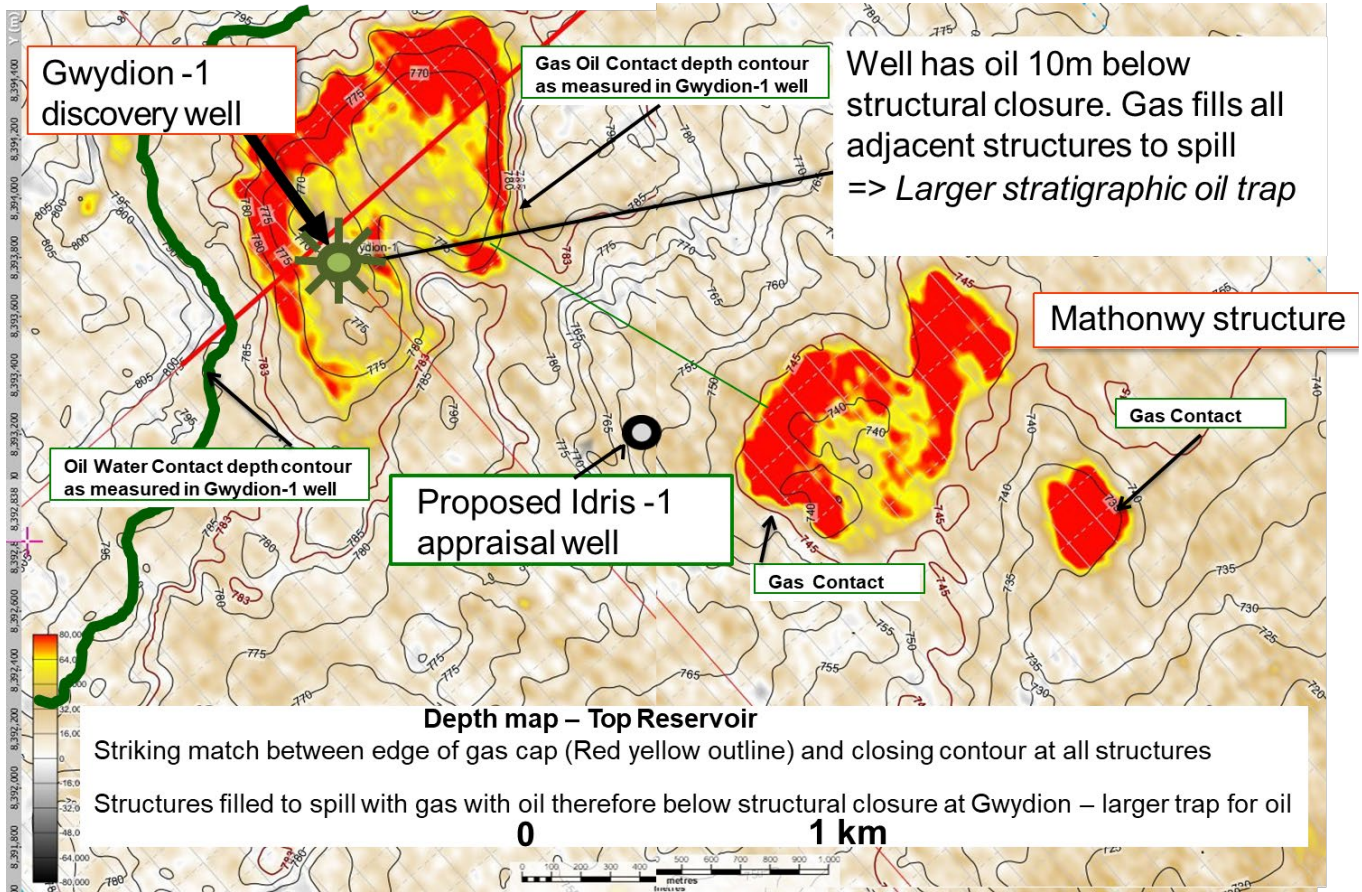


Figure 2 – Depth Contour Map – Top Reservoir -Gwydion Discovery and proposed Idris location WA-424-P

Resources

Following the completion of the company's 3D seismic reprocessing and depth conversion project, IPB Petroleum completed a thorough technical review of the prospective oil resources attributed to the Idris prospect in 2018.

As a result the Prospective Resources attributed to the Idris prospect were significantly increased on a Most Likely basis (P50) to 69 MMBBLS of oil (recoverable). Similarly prospective resource estimates were increased at the Low Estimate (P90) and High Estimate (P10) levels to 20 MMBBLS of oil (recoverable) and 159 MMBBLS of oil (recoverable) respectively. Table 1 below provides a summary of the Prospective Resources attributed to the Idris Prospect.

The resources estimates contained in Table 1 have been prepared in accordance with SPE-PRMS and adherence to Chapter 5 of the ASX Listing Rules.

Prospect	Prospective Resources Million Barrels of Oil		
	Low Estimate	Best Estimate	High Estimate
Idris (100%)	19.8	68.6	159

Table 1: Prospective Oil Resources (recoverable) Attributed to Idris

Note - Prospective resources are estimated quantities of petroleum that may potentially be recovered by the application of future development project(s) and relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

For further information, including assumptions, limitations and qualifications relating to the estimation of resources publicly reported by IPB and contained within this announcement, please refer to IPB's ASX Release titled "Idris Prospective Resources Significantly Increased" dated 11 May 2018.

IPB Petroleum is not aware of any new information or data, that materially affects the information relating to these publicly disclosed resources, since this release to the market, and all material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed.

Next Steps

IPBWA looks forward to finalizing all approvals such that it can commence the planning and development activities for Idris. The Company is of the view that the current state of the offshore market should present some cost-saving opportunities over the coming 12 months.

The company's virtual AGM is scheduled for today 30 November at 11am AEDST, when IPB plans to provide shareholders with further details on the progress of the Idris opportunity and this important development.

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