



IPB

IPB PETROLEUM LTD
(ABN 52 137 387 350)

QUARTERLY REPORT & APPENDIX 5B
for the Quarter Ending 30 September 2021

Date: 31 October, 2021



SEPTEMBER 2021 QUARTERLY ACTIVITIES REPORT

SUMMARY OF KEY EVENTS FOR THE QUARTER AND CURRENT STATUS

- A variation to Farmout and Funding agreement was signed with Quay Resource Investments (Quay) on 30 September 2021.
- Quay have not provided remittances as agreed, and contrary to prior representations to IPB to-date.
- Quay and its business partners have on 31 October 2021, reconfirmed their commitment to the obligations associated with the Farmout and Funding agreement, and have indicated a first transfer of funds should occur this coming week.
- Whilst continuing to work with Quay, IPB will also need to consider other alternative proposals or transactions to cover the circumstances where Quay does not provide remittances on mutually agreed terms.
- Studies and commercial activities associated with Idris continued at a slower pace and IPB continued to remain in contact with key proposed service providers for the proposed drilling of Idris later next calendar year.
- IPB through NERA continued to progress future seismic environmental plan activities

PERMIT WA-424-P (IPB 100%)

Farmout and Funding Activities and Idris Appraisal Well

As at the date of this report IPB has not received early remittances from Quay despite signing a variation agreement on 30 September 2021, with drawdowns scheduled and agreed for October 2021.

Quay and its business partners have on 31 October 2021, reconfirmed their commitment to the obligations associated with the Farmout and Funding agreement, and have indicated a first transfer of funds should occur this coming week.

As mentioned above, whilst continuing to work with Quay, IPB will also need to consider other alternative potential proposals or transactions to cover the circumstances where Quay does not provide finance on mutually agreed terms or within an acceptable timeframe.

Any alternate proposal may take several or more months to mature.

As Operator of the WA-424-P Joint Venture, IPB aims to award certain key contracts once substantive funding is received. Under current scheduling, IPB is still aiming to be ready to drill Idris by 3rd quarter 2022, however this timeframe may slip if funds are not received by Quay within a very short timeframe. Quay has continued to advise IPB that funding is imminent however, as stated above IPB is yet to receive any remittances from Quay.

Activities – Corporate and Financial

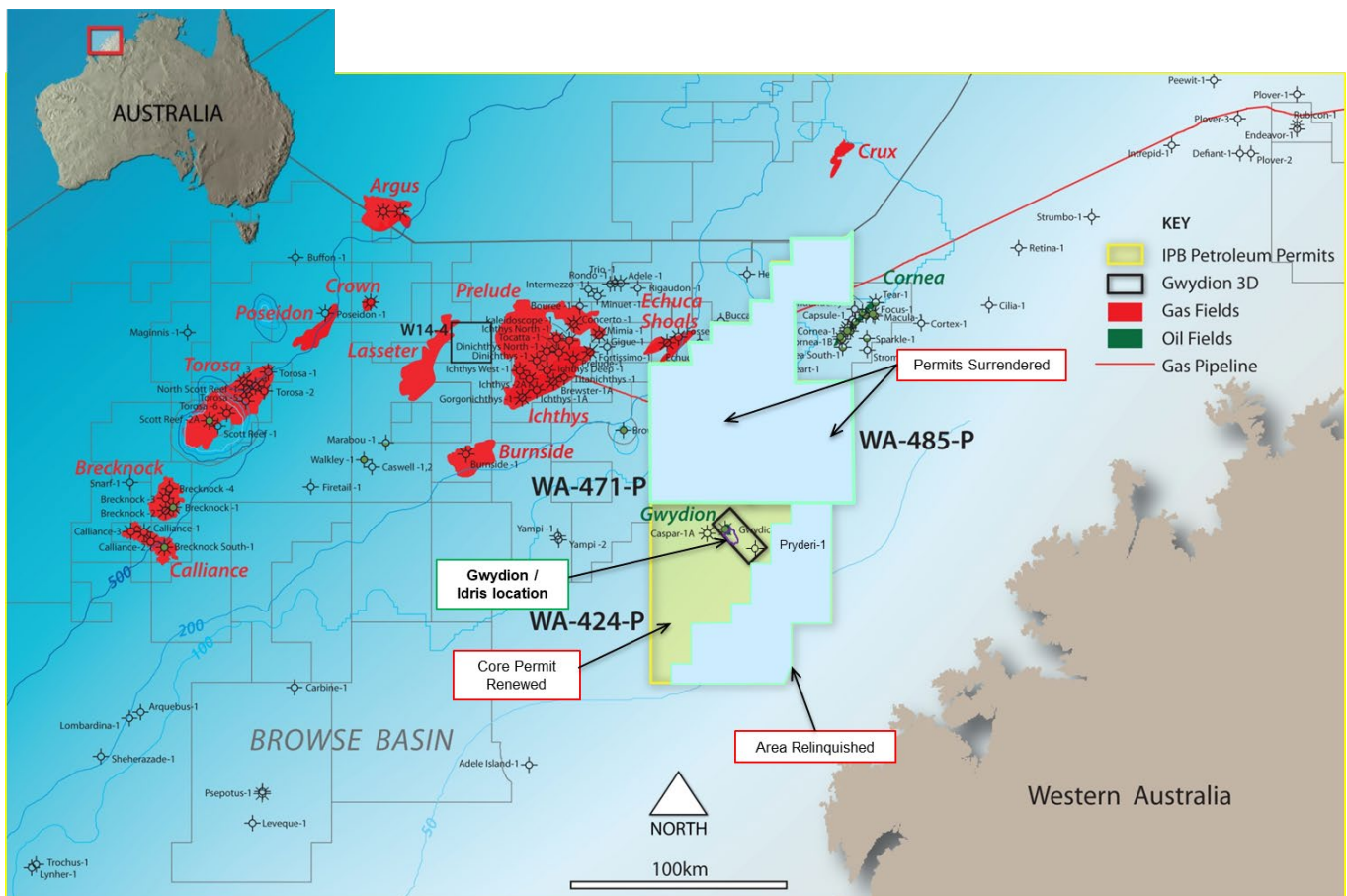
As at the end of the Quarter, IPB Petroleum had a cash balance of approximately \$0.719 million. For further details refer to the attached Appendix 5B.

Annual General Meeting Date Re-Schedule

As different from the Annual Report, IPB's Annual General Meeting is now scheduled to be held on 9 December, at 11am Melbourne time by way of a Virtual Meeting.

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 Sep 2021

| 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 | (18) | (18) |
| (e) administration and corporate costs | (293) | (293) |
| 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 | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (310) | (310) |
| 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) | (126) | (126) |
| (e) investments | - | - |
| (f) other non-current assets | | |

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

| 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 | (126) | (126) |

| | | | |
|-------------|---|------------|------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 1,011 | 1,011 |
| 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 | (56) | (56) |
| 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 | 956 | 956 |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 200 | 200 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (310) | (310) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (126) | (126) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 956 | 956 |

| 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 | - | - |
| | | 719 | 719 |

| 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 | 719 | 200 |
| 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) | 719 | 200 |

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 |
|------------------------------------|
| (18) |
| - |

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) | (310) |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d)) | (126) |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2) | (436) |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6) | 719 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.6 Total available funding (Item 8.4 + Item 8.5) | 719 |
| 8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 1.6 |

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: No there was a higher than normal net operating cash outflows for the September Quarter related to well planning and other historical administrative costs

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: The entity has an executed Farmout and funding Agreement – payments have been delayed but the Company has been advised that this should be forthcoming in the current December Quarter

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: The Company has an internal budgeting process and manages its costs to the available funding options at its disposal.

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 Sep 2021

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 – e.g. 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.