

Chairman's address to the Annual General Meeting – 9 December 2021

Dear fellow shareholders,

It has been a challenging year, for Australia with COVID-19 and lockdowns, and a frustrating 12 months for IPB Petroleum and its shareholders.

At our AGM a year ago, we were pleased to announce the agreement with Quay Resource Investments to fund the drilling of the proposed Idris well and earn a 50% interest in the permit, however the satisfactory completion of the arrangement continues to not be satisfied. In good faith during the course of the year, IPB has executed several legally binding variation agreements with Quay, most recently at 30 September, for Quay to provide the requisite funding to IPB. Even in the Annual Report I indicated that we were working constructively with Quay and I remained optimistic about our future, relying on the contractual obligations and continued written representations of imminent funding.

However as per our recent announcement, funds have not been forthcoming and we can only conclude that Quay's financing arrangements have not been fulfilled so as to provide funding to IPB to date.

We were advised by Quay of initial delays in Quay's financing with international banks and beneficiaries, due to such matters as technical errors, then issues with onboarding new foreign clients to activate credit lines. While matters may have been better able to be dealt with through a face-to-face engagement, the inability to travel, due to international COVID -19 restrictions prevented such a process. This in IPB's opinion can no longer be a justifiable explanation.

Therefore, despite Quay's continued declarations of positive intent, its failure to deliver has left the company no alternative but to seek other options and re-open discussions with other potential farminees who showed historical interest. Accordingly, we have reached out to a number of parties but everyone should be mindful that it will likely take some time to reach a satisfactory alternative binding agreement.


I am professionally and personally disappointed and embarrassed by this outcome and I empathise with shareholders in their justified frustration and annoyance. However, I can assure you that Brendan Brown as MD and my other fellow directors have been very committed in their efforts to achieve the best result for shareholders and will continue to do so. We had anticipated that the company's cash balance would be significantly enhanced with the reimbursement of past "back" costs as part of the Quay transaction. Especially in retrospect it was prudent to supplement the company's balance sheet pending receipt of those funds and I express our gratitude to existing loyal shareholders and new investors who participated in the placement in August but I am disappointed that all shareholders have not benefited from a potential uplift in the IPB share price associated with a successful Idris financing.

Nevertheless, the company has demonstrated its ability to diligently steward its finances through challenging times and we will judiciously explore a range of alternatives to safeguard the company's future sustainability and potential growth.

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Throughout this process and in difficult circumstances, the Board has provided outstanding commitment and support and I commend my fellow directors, especially Managing Director Brendan Brown for their diligence and effort always in the best interest of all shareholders.



Bruce McKay
Chairman