



**IPB**

IPB PETROLEUM LTD  
(ABN 52 137 387 350)



**QUARTERLY REPORT & APPENDIX 5B**  
**for the Quarter Ending 30 September 2018**

Date: 30 October 2018

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## SEPTEMBER 2018 QUARTERLY ACTIVITIES REPORT

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### SUMMARY OF KEY EVENTS FOR THE QUARTER

- WA-485-P Variation approved by the Joint Authority
- On 20 July 2018, IPB successfully placed 40 million new shares at 2 cps to Professional and Sophisticated Investors raising \$800,000 before costs
- Farmout process progressed with dataroom access and due diligence by interested parties ongoing
- Agreement signed to join NERA consortium for new 3D seismic Environmental Plan covering all IPB Permits

### SINCE QUARTER END

1. IPB commenced additional imaging project over Idris prospect WA-424-P, as well as investigative inversion studies.
2. The Company also commissioned a conceptual feasibility study into the economics and potential of completing an extended well test at the Idris location.

### Permit **WA-424-P** (IPB 100%)

#### Farmout Progress

During the quarter IPB progressed its farmout process on the back of the successful Seismic Depth Conversion Project completed earlier in the year.

As disclosed previously IPB has continued to receive complimentary feedback on the Idris prospect and the quality and thoroughness of our technical and commercial work including from those, who for strategic and/or other reasons, have elected not to continue with the process.

As at the date of this report, the Company remains engaged with a number of companies who are conducting due-diligence and have entered the IPB dataroom. IPB also continues to approach new potential parties who may be interested in joining the process.

Symptomatic of an industry that has endured difficult trading conditions in recent years, IPB has encountered a number of parties requesting extensions of time to review data due to human resource limitations or competing transaction constraints. The Company has also encountered some inability within industry to efficiently assess opportunities such as Idris, with a number of competing processes absorbing time and resources amongst those companies that are now open to new opportunities.

Although difficult to estimate, but based on recent progress and industry status, the Company believes an indicative target to conclude a farmout would be sometime in the first half of 2019 calendar year.

The Company remains positive about the prospect of achieving a farmout for the drilling of a well at Idris, and the potential for substantial value accretion for all shareholders on offer with this strategy.

In further support of this strategy, IPB has commenced three complementary studies since quarter end:

1. IPB commissioned a concept feasibility study into the economics and potential of completing an extended well test at the Idris location. Such a proposal if feasible and ultimately approved could provide a number of advantages including substantially funding well costs, as well as providing valuable information on the reservoir from the Idris well. It is possible that such a strategy would also open up the farmout to alternative partnership constructs and/or additional funding – yet to be pursued.
2. The Company also initiated a new seismic imaging project with GEOTERIC over the Idris prospect in WA-424-P. The objective of this work is to provide further insight into the potential size of the economic trap at Idris, which to-date is somewhat unbounded at the upper end of resources estimates.
3. With similar ultimate objectives to that of the seismic imaging study, IPB has also authorized a feasibility study into to further seismic inversion work.

The results from these three studies currently underway are due for completion during the current quarter and are expected to provide further support for the Company's ongoing farmout strategy.

### **Permits WA-471-P and WA-485-P (IPB 100%)**

#### **Variations Approved**

As disclosed in the June Quarterly Activities Report the Company applied for a Variation during last quarter to both permits' work programmes. The requested Variation to WA-471-P's work programme was approved by the Joint Authority in June 2018, with WA-485-P's requested Variation approved in July 2018.

The approved Variations now combine the remaining Primary Term work programmes for each permit's Years 2 and 3, into a single Primary Term period. As a consequence IPB now has a further 12 months from May 2018 in which to satisfy the requirement to acquire a new 3D survey in each permit.

The Company expects to have to apply in the future for an extension of time to complete the required drilling activities included in each Permit's Primary Term Work Programme.

These permits were initially acquired to secure potential upside exposure to any success in the Company's core WA-424-P Permit, for example a success with the proposed Idris well. In order to maintain tenure of these permits the Company will have to satisfy each permit's work programme or obtain approval from the Joint Authority for further Variations or Extensions of time to satisfy such permit work programmes.

#### **Seismic and Environmental Plan Activities**

During the quarter the Company signed an agreement to join the NERA funding consortium with the objective of securing the necessary environmental approvals for a future 3D seismic survey in any of its three Browse Basin Permits.

Environmental Planning work is expected to commence in the current quarter, with a submission requested by IPB before May 2019.

IPB considers that securing EP approval cost effectively and efficiently is an important and necessary first step in maintaining progress with the two permits' work programmes.

## Activities – Corporate and Financial

On 20 July 2018 the Company successfully completed a Placement of 40 million new shares to Professional and Sophisticated Investors raising approximately \$750,000 after costs of 6%. The issue was settled on 27 July 2018.

As at the end of the quarter IPB Petroleum had a cash balance of \$0.83 million with no debt. For further details refer to the attached Appendix 5B.

The Company's 2018 Annual Report was released to shareholders on 10 September 2018 and the Notice of Annual General Meeting with Explanatory Memorandum and Proxy Form was dispatched to shareholders on 19 October 2018.

## PERMIT HOLDINGS AND INTERESTS

During the quarter no changes occurred to the interests held by IPB Petroleum (IPB or the Company) in its three petroleum exploration permits.

As at the end of the quarter, and also as at the date of this report, the Company held the following interests in three Browse Basin exploration permits: **WA-424-P** (IPB 100% and Operator); **WA-471-P** (IPB 100% and Operator); and **WA-485-P** (IPB 100% and Operator)



## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

IPB Petroleum Limited	
<b>ABN</b>	<b>Quarter ended ("current quarter")</b>
52 137 387 350	30 <sup>th</sup> Sept 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(104)	(104)
(b) development	-	-
(c) production	-	-
(d) staff costs	(61)	(61)
(e) administration and corporate costs	(96)	(96)
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 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(261)</b>	<b>(261)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	800	800
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(50)	(50)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>750</b>	<b>750</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	340	340
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(261)	(261)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	750	750
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>829</b>	<b>829</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000

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	829	340
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>829</b>	<b>340</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
105
-

Executive and Non-Executive Fees Paid.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	40
9.2 Development	
9.3 Production	
9.4 Staff costs	47
9.5 Administration and corporate costs	40
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>127</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

**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.

Sign here: ..... Date: 30 October 2018.....  
(Managing Director)

Print name: Brendan Brown .....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.