

(ASX CODE: IPB)

IPB Petroleum Limited - Retraction of Valuation Estimates

IPB Petroleum Limited (“IPB”) refers to its Institutional Presentation announced to the Australian Securities Exchange (“ASX”) on 20 July 2018.

This Presentation included the following information relating to the Idris prospect:

“IPB Estimated NPV (A\$ M) P90 Low Estimate 130 P50 Best Estimate 1,000 P10 High Estimate 2,850” ,
“P50: Development Costs ~ US\$11.62/bbl, Opex ~ US \$4.81/bbl initial, Average US \$15.25/bbl, ~IRR's 46%,
payback 14 months” and “P50 NPV \$1.0 Billion (100% of Project) if successful –plus other exploration upside”

IPB has been advised by the ASX that the ASX considers this information to not be in accordance with ASX Listing Rules.

IPB accepts the ASX view that it did not have a reasonable basis to disclose the above information and accordingly retracts the information. As a consequence of the retraction, IPB advises that the above information should be disregarded and that accordingly investors should not rely on the retracted information for their investment decisions.

The Company has attached the Updated Invertor Presentation 25 July 2018 for disclosure to the market.

Following lodgement of this announcement with the Updated Presentation the Company has requested ASX to lift the Trading Halt placed on the Company's shares on 23 July 2018.

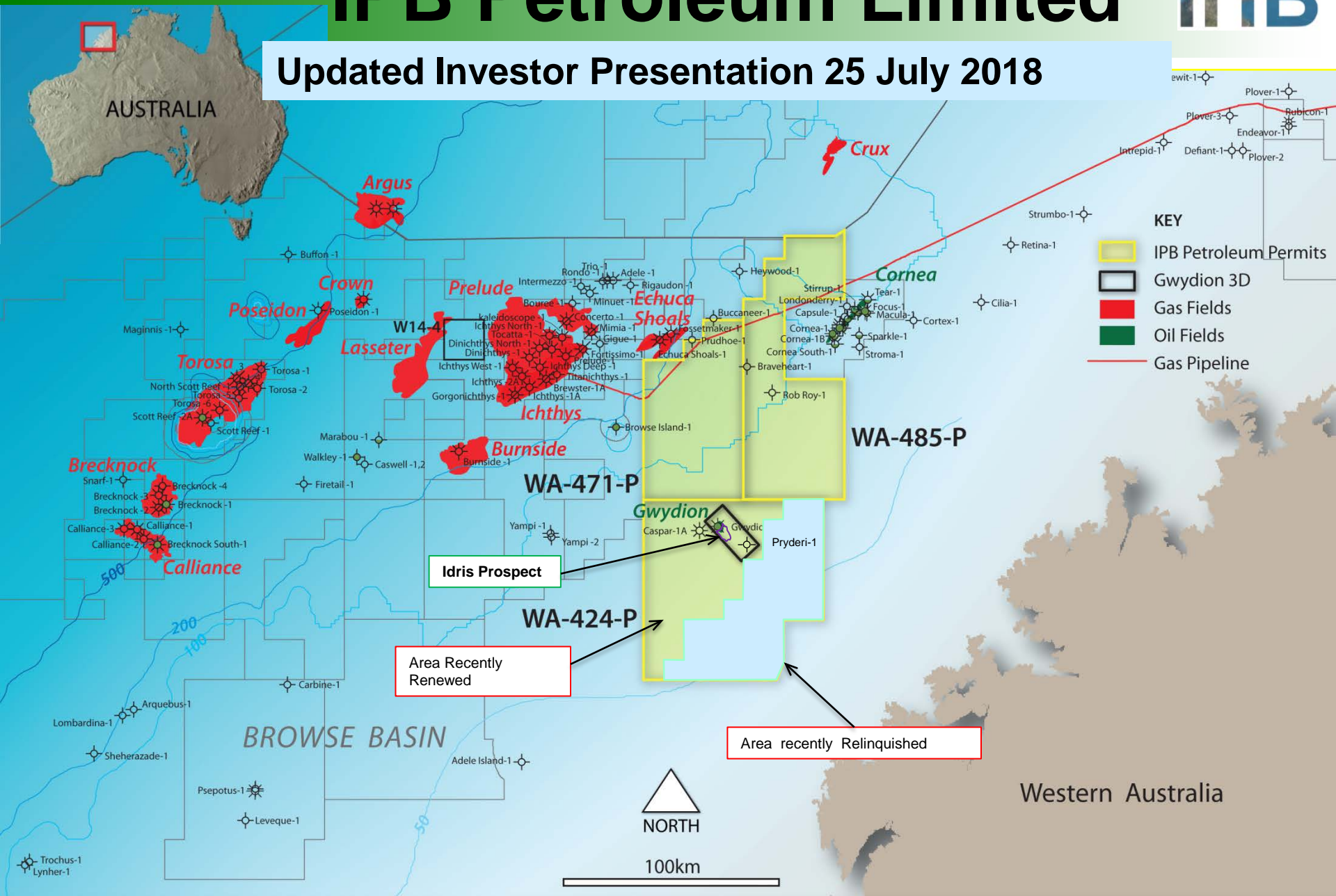
For further information contact Brendan Brown, Managing Director +61 3 9598 0188 or admin@ipbpet.com.au

Attach.

IPB Petroleum Limited



Updated Investor Presentation 25 July 2018



Important Notice



This presentation has been prepared by IPB Petroleum Limited (IPB) and is provided on the following basis:

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Unless otherwise stated information, opinions and conclusions contained within this presentation has been provided by IPB Petroleum Limited and may not necessarily represent those of our other joint venture partners.

Important Notice Resources



Resources

The resources figures quoted in this document have been prepared in accordance with SPE-PRMS and adherence to Chapter 5 of the ASX Listing Rules.

Prospective Resources are estimated quantities of petroleum that may be potentially recovered by the application of future development project(s) that relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration and 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 presentation, 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 has not materially changed.

Idris Resources

The subject resource estimates relate to the immediate up-dip interpreted stratigraphic extension of the existing Gwydion oil discovery.

With the benefit of our reprocessed 3D over the Gwydion discovery well and up dip area, and our recently completed depth conversion project, Idris could be considered an appraisal well. However IPB has conservatively categorized the associated resources as Prospective given the stratigraphic nature of the interpreted hydrocarbon trap at Idris.

Key Points Placement and Investment

Placement Completed (20 July)

40m new shares @ 2.0 cps ~ Implied Market Cap \$4.0m post issue - (200.3m shares on issue).

Cash (June \$0.34m)- Proforma Post Issue \$1.09m after costs.

Funds to be applied towards:

- Environmental Plan costs for future potential seismic activities required for WA-485-P and WA-471-P permits.

Aim :

To better secure exploration play upside value from any success with Idris in WA-424-P by continuing to invest in WA-471-P and WA-485-P and maintain permit tenure

- Farmout activities and associated costs - Technical, Legal and Commercial.
- Ongoing permit study work and
- Working capital

Aim :

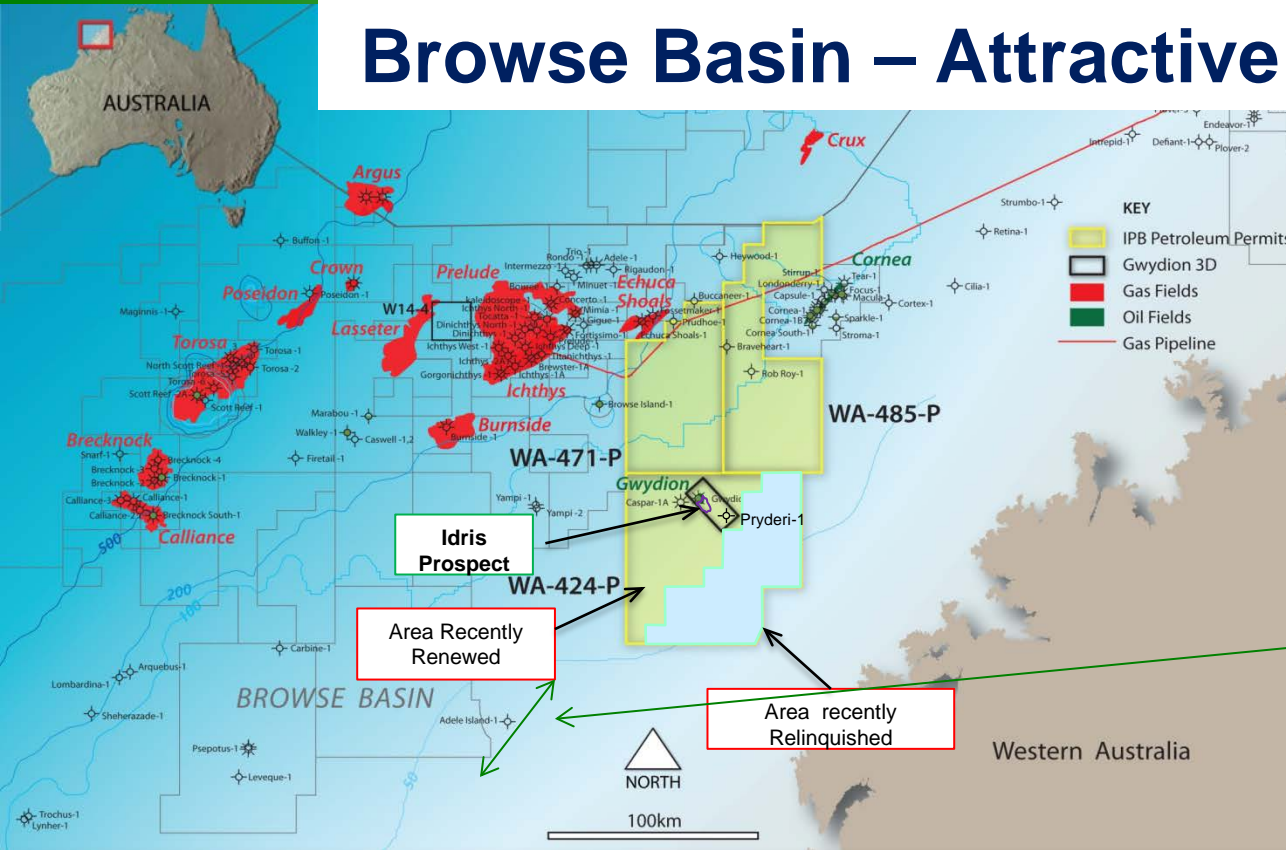
To support a more confident negotiating position as well as provide for farmout costs and timing uncertainties and associated costs

Investment Catalysts

1. Currently farming out interest in permit aim for **fully funding** Idris well (WA-424-P)
~US12m plus certain back costs. *Back costs to be asked for could be as high as \$3.5m (3D seismic cost).*
2. Idris To test updip extension of oil discovery at Gwydion (IPB 100%)
 - **P50 Prospective Resources ~ 69 MMBLS (100% of Project)** if successful – plus other exploration upside
 - The amount of WA-424-P to be transferred to a funding farminee and therefore the amount to be retained by IPB in any successful farmout is the subject of the farmout negotiation
 - Proposal to be drilled in 2019 – (if farmout completed sometime in next 6 months)
 - Assuming a successful farmout - timing is estimated to take between 2 and 6 months for a signed deal. Timing driven by farminees, and terms can depend on competition.
 - Timing for drilling to take an estimated 6-12 months from a successful farmout as minimum 6 months required to achieve Environmental and other approvals.
 - IPB's June 2018 renewal of its WA-424-P permit means that the Company has sufficient time to achieve a farmout and drill Idris as it has primary term permit tenure until June 2021
3. Additional complementary strategy to look at diversification whilst managing dilution

Implied Current Market Cap A\$4.0m – Substantial Upside Potential

Browse Basin – Attractive Location



Note : Inpex late last year was also granted the exploration permit WA-532-P immediately adjacent and southwest of WA-424-P on trend to IPB's permits along the southern margin of the Browse Basin.

- Hosts giant US \$40 Billion Ichthys development project operated by Japan's Inpex.
- And also ~ US \$15 Billion Prelude development project (Shell) and
- Contains the proposed \$40 Billion Browse (Torosa, Brecknock, Calliance) LNG project (Woodside),
- Plus Santos's Crown and Lassiter and Origin's Poseidon multi tcf gas condensate discoveries.

Farmout Status

- Received encouraging interest in the farmout since dataroom open from early June.
- Several companies entered IPB dataroom,
- a number of additional potential farminees also assessing the opportunity
- more recent and ongoing presentations may yield additional interest
- Company has received positive feedback from Industry Participants on prospect and quality of technical work

Macro Environment

A renewed positive macro-economic outlook for oil prices due in part to under investment in exploration and appraisal activities over the past four years provides further motivation for potential farminees to investigate and pursue farmin opportunities such as that being offered by IPB

Experienced Board



Bruce G McKay
*BSc (Hons), FAICD,
FIEAust*
Chairman

- Over 40 years' experience in exploration, operation and executive management in Australia and overseas (AWE / ExxonMobil)
- Fellow of the Australian Institute of Company Directors and Engineers Australia
- Honorary Life Member of the Australian Petroleum Production and Exploration Association and was Chairman between 1991-92.
- A member of the American Association of Petroleum Geologists and the Petroleum Exploration Society of Australia.

Brodrick Wray
B.E. (Chem) SPE
Non-Executive Director

- Graduated from Adelaide University and has worked for more than 28 years in engineering, commercial, executive management and consulting roles in the Energy Industry.
- Spent 5 years in a variety of commercial management roles in the electricity industry during the privatisation of the South Australian Electricity business before rejoining Santos in 2001 in gas marketing and undertook a number of different commercial roles, including Manager of LNG marketing during the evolution of Santos substantial LNG business
- Since 2012 he has been a consultant to the oil and gas industry.

Geoffrey King
BSc (Hons)
Non-Executive Director

- 30 years' experience in oil and gas industry, commenced career with Esso Australia
- Numerous management and senior exploration positions with BHP Petroleum, directly involved in the Macedon Pyrenees, Montara, Argus and Gwydion discoveries
- Substantial experience in Australia, in particular offshore Western Australia, SE Asia and United States.

Brendan Brown
*BSc, BE(Hons),
MBA(Melb), F Fin*
Managing Director

- Established IPB Petroleum in early 2009 and has 25 years' experience in the Oil and Gas and Finance industries
- Commenced career as an engineer with BHP Petroleum - heavily involved in the Jabiru, Challis and Skua projects and operations, and Griffin oil field developments
- Previously an analyst and corporate advisor with ANZ Investment Bank
- Was General Manager of finance and business development with Nexus Energy (2006- mid 2008) - responsible for substantial financing, secured by the company and the negotiation and maintenance of its key commercial agreements and relationships.

Philip Smith
*BSc Physics(Hons), Msc
Geophysics, Grad Dip
App Fin & Inv*
Technical Director

- Has over 30 years' experience working as an exploration geoscientist
- Previously worked in London with Phillips Petroleum and Kufpec and in Australia with Woodside Petroleum and BHP Petroleum
- During his 15 year tenure with BHP Petroleum he held senior technical and managerial roles in offshore basins around Australia and was involved in oil and gas discoveries at Elang, Laminaria, Maple and Argus
- Most recently with Nexus Energy where he was responsible for building the exploration portfolio and was involved in the Longtom and Crux appraisal and development projects.

IDRIS WELL to test stratigraphic upside to oil discovery (Gwydion) WA-424-P

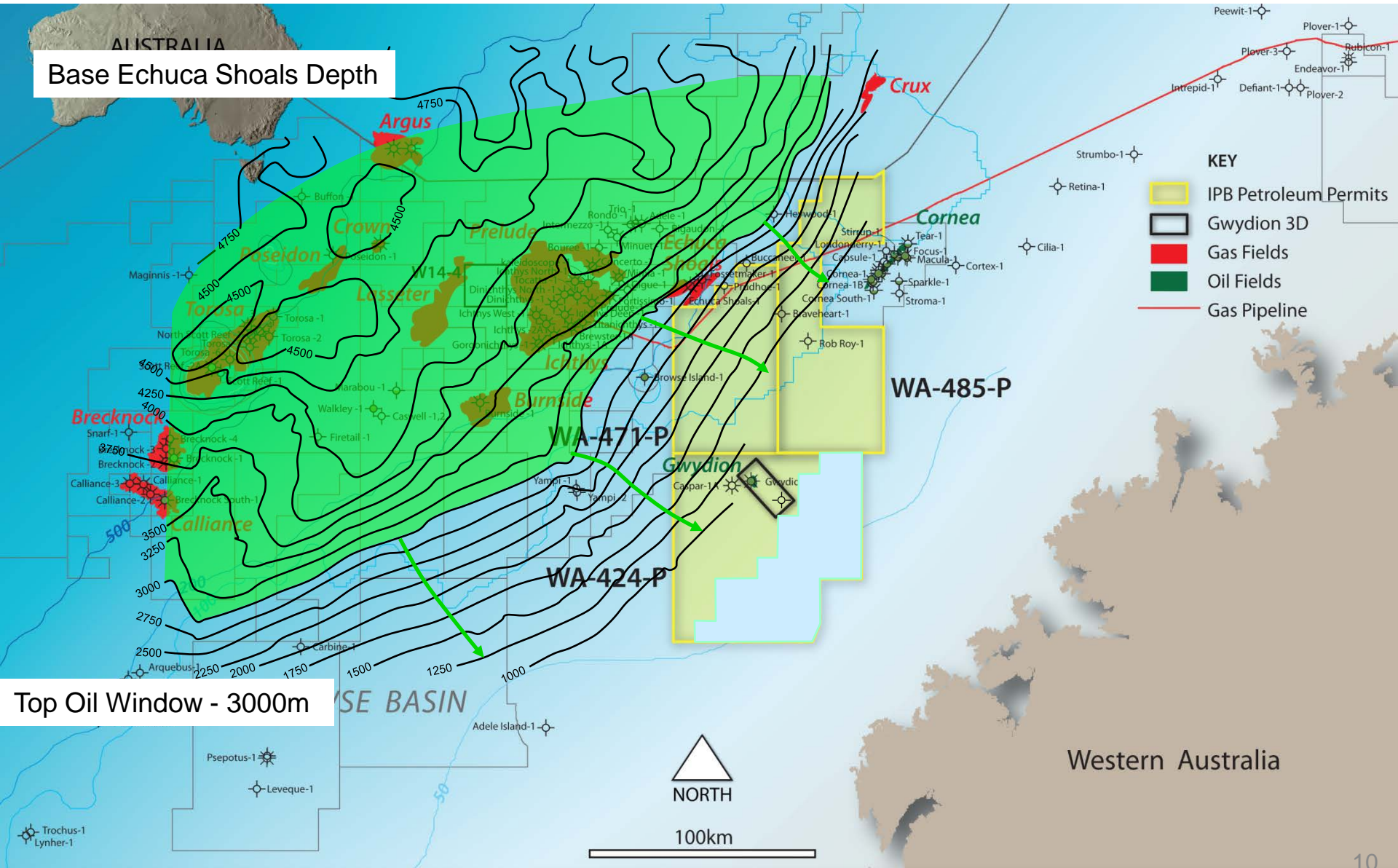
Key Points - WA-424-P (IPB 100%):

- Offshore Western Australia - Browse Basin – permit renewed for additional 5 years
- Shallow water (~80m) & Shallow reservoir Depth (800m ss)
- Low cost Appraisal well ~ US\$12m - target 2019
- Fast commercial development with low development costs
- Exciting unconstrained upside potential
- Gwydion - 30 deg API oil, Porosity 27%, inferred permeability 1+Darcy, low GOR and inerts
- Substantial additional exploration potential – large permit – IPB 100%
- Contiguous permits WA-471-P and WA-485-P (IPB 100%) – additional upside potential

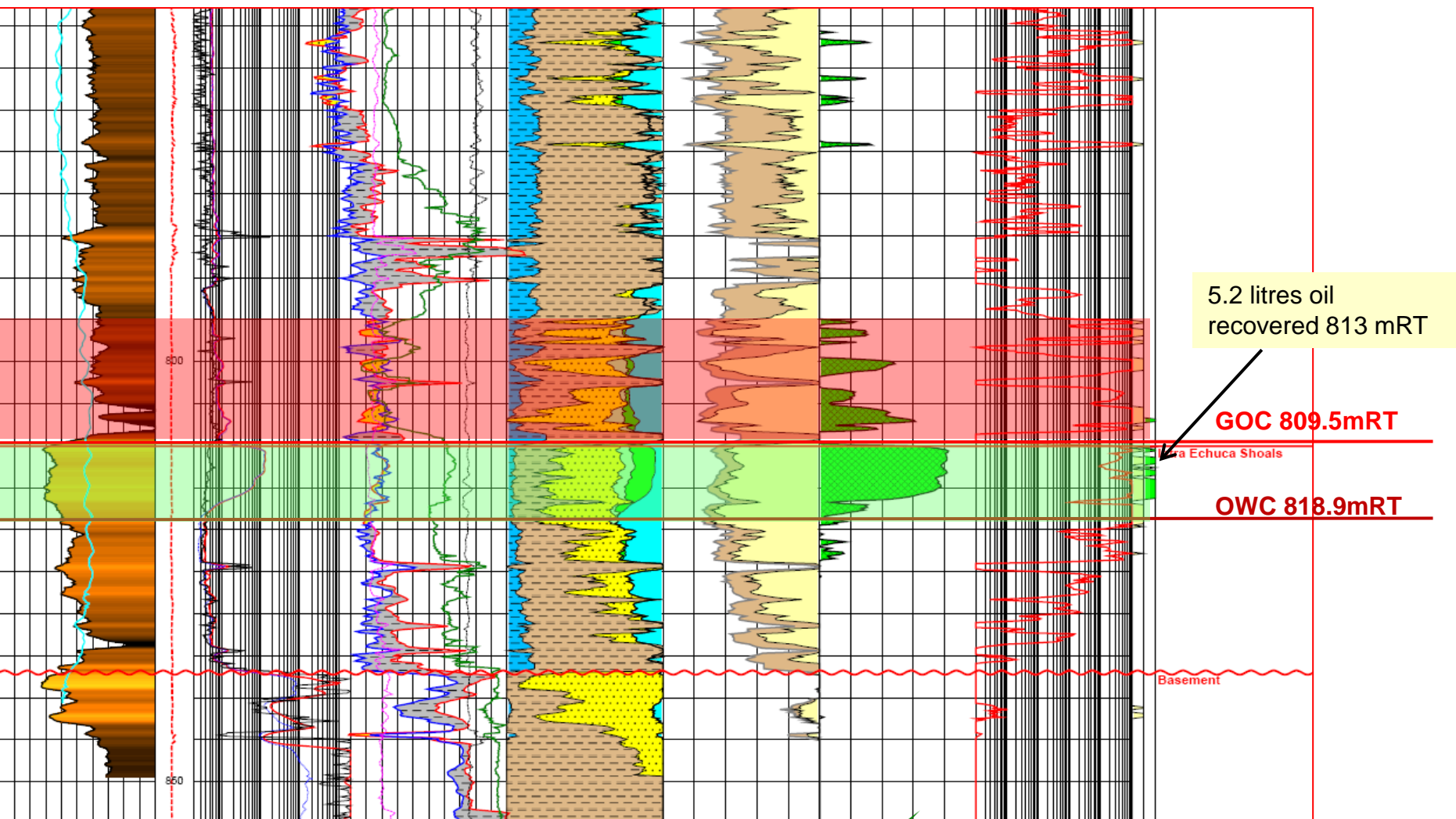
Proposal:

- Equity in WA-424-P available for funding the Idris appraisal well plus certain backcosts.
- IPB currently holds 100% of WA-424-P Permit
- Additional Optionality available including large contiguous blocks - WA-485-P and WA-471-P

IPB Acreage Position – Browse Basin Australia



Gwydion -1 well WA-424-P (IPB 100%)



5.2 litres oil recovered 813 mRT

GOC 809.5mRT
Echuca Shoals

OWC 818.9mRT

Basement

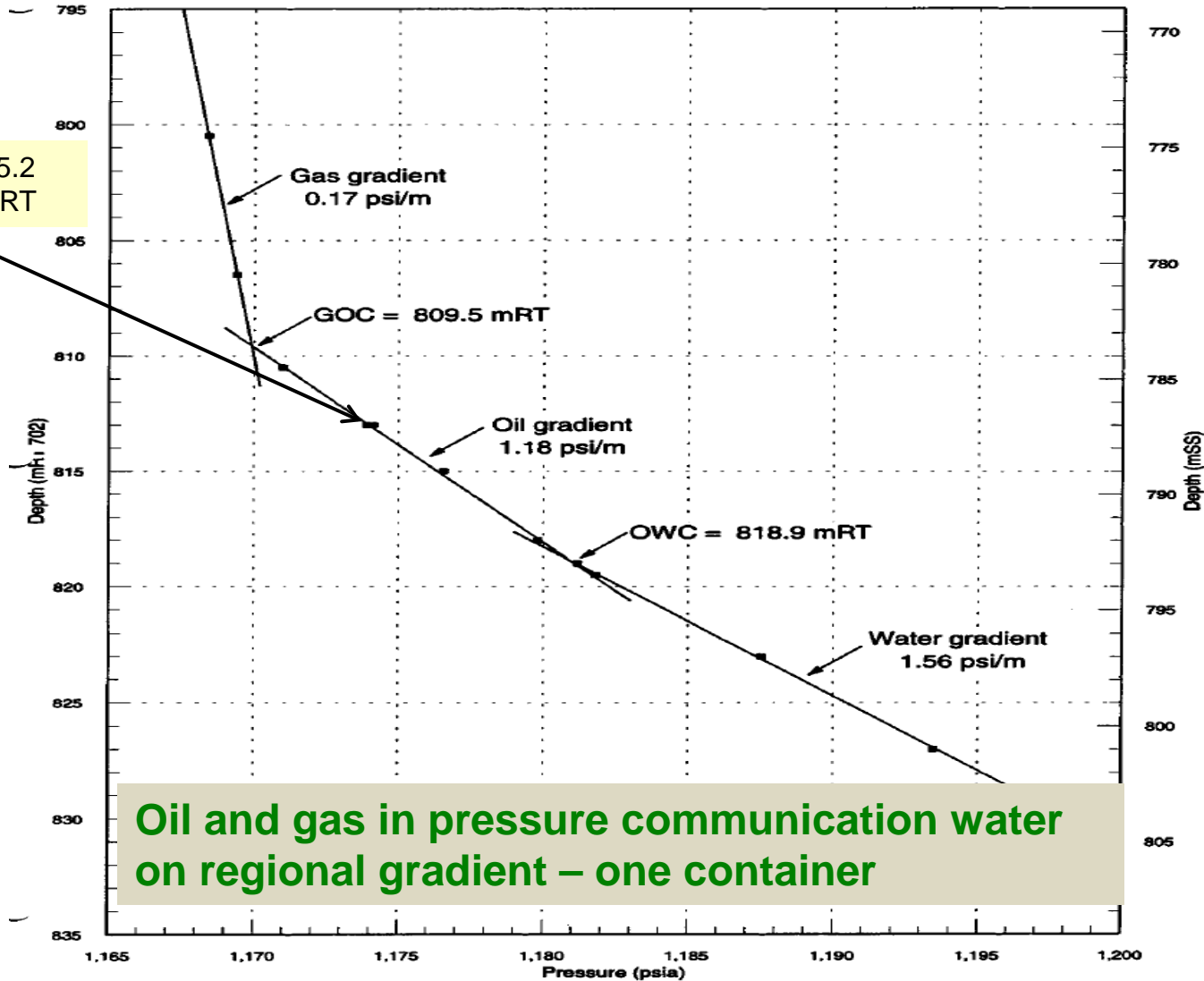
- 14m gas column over ~10 m oil column in $M_{australis}$ sands ✓
- Oil in 27% porosity sand – inferred permeability > 1 Darcy ✓
- RFT established gas, oil, water pressure gradients and recovered 30⁰ API oil sample ✓

General Data	Resistivity	Logs	Volumes	Pore Volume	Saturations	Permeability	Pay Summaries
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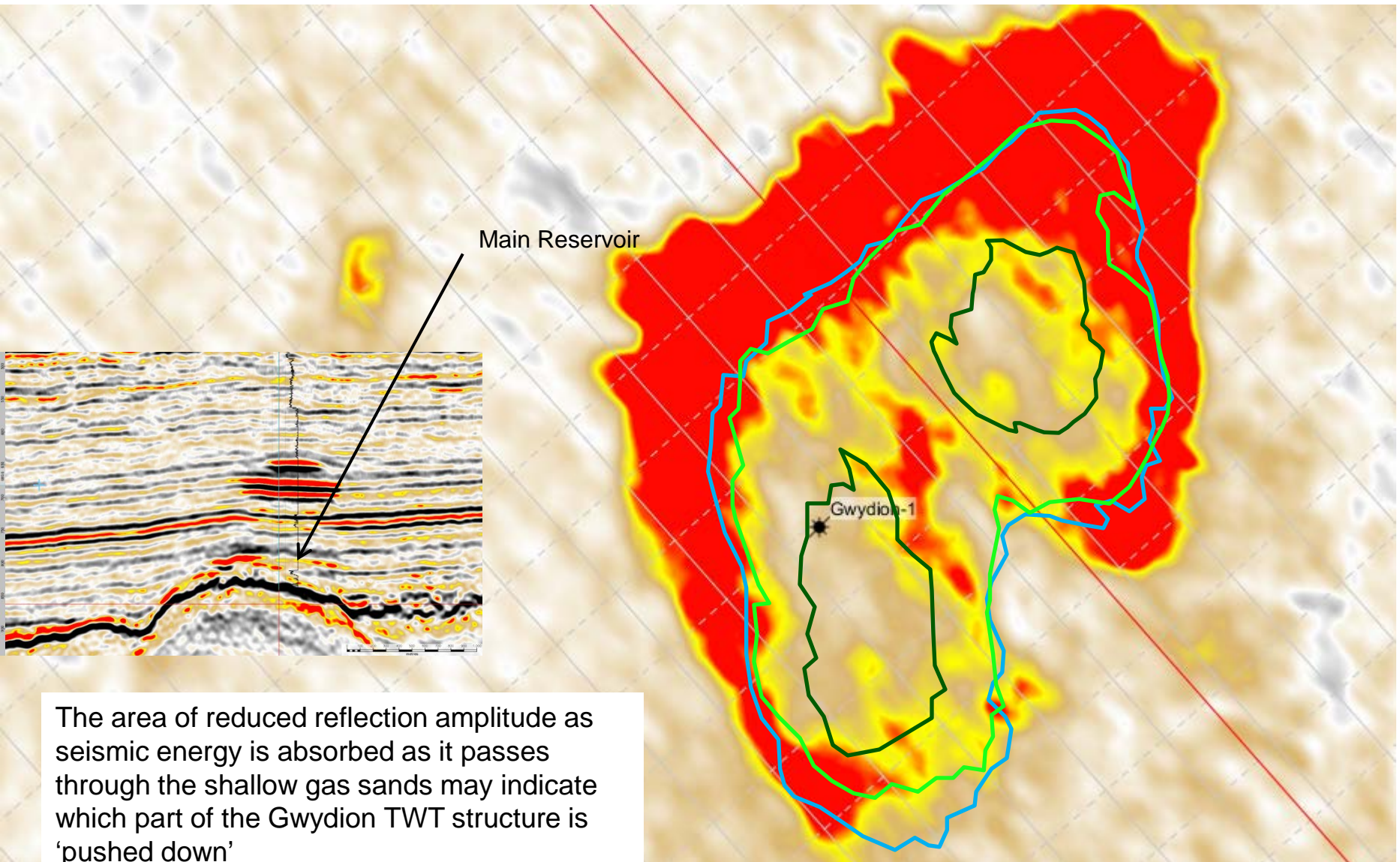
Gwydion -1 Original RFT Pressure Plot



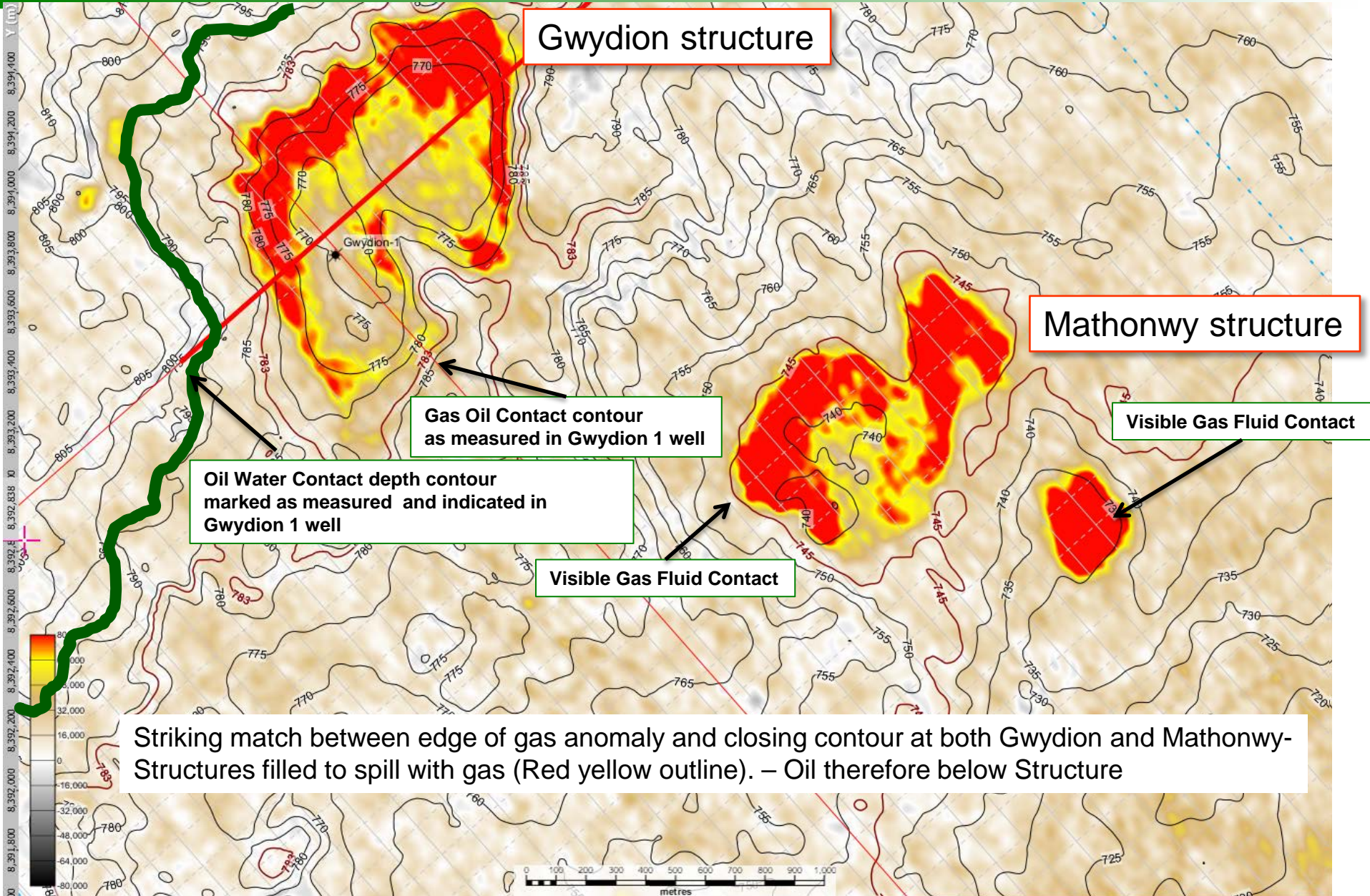
GWYDION-1
Formation Pressures vs Depth: Lower Sand



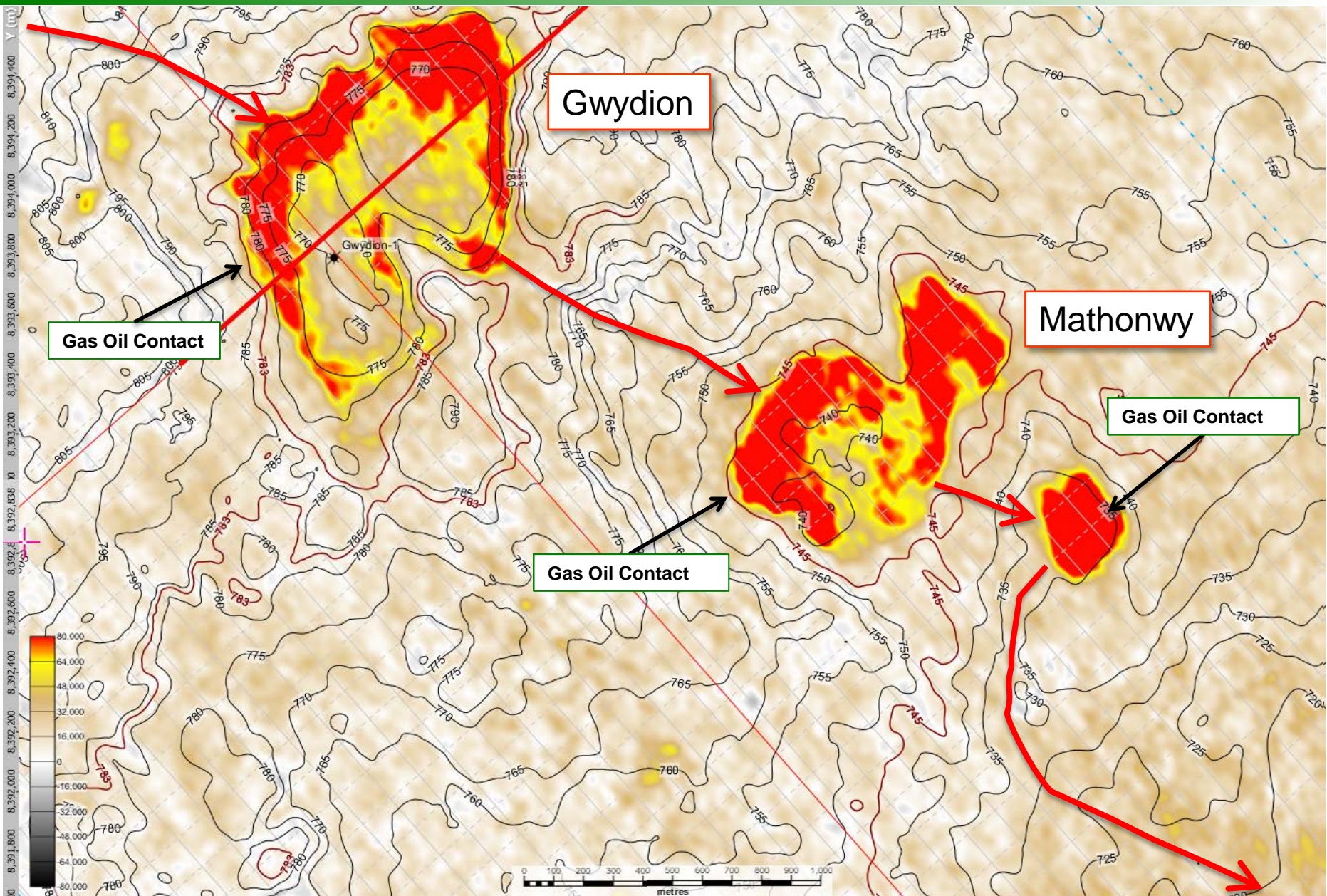
3D Seismic Amplitude Extraction – Top Gas horizon Gwydion 1 WA-424-P (IPB 100%)



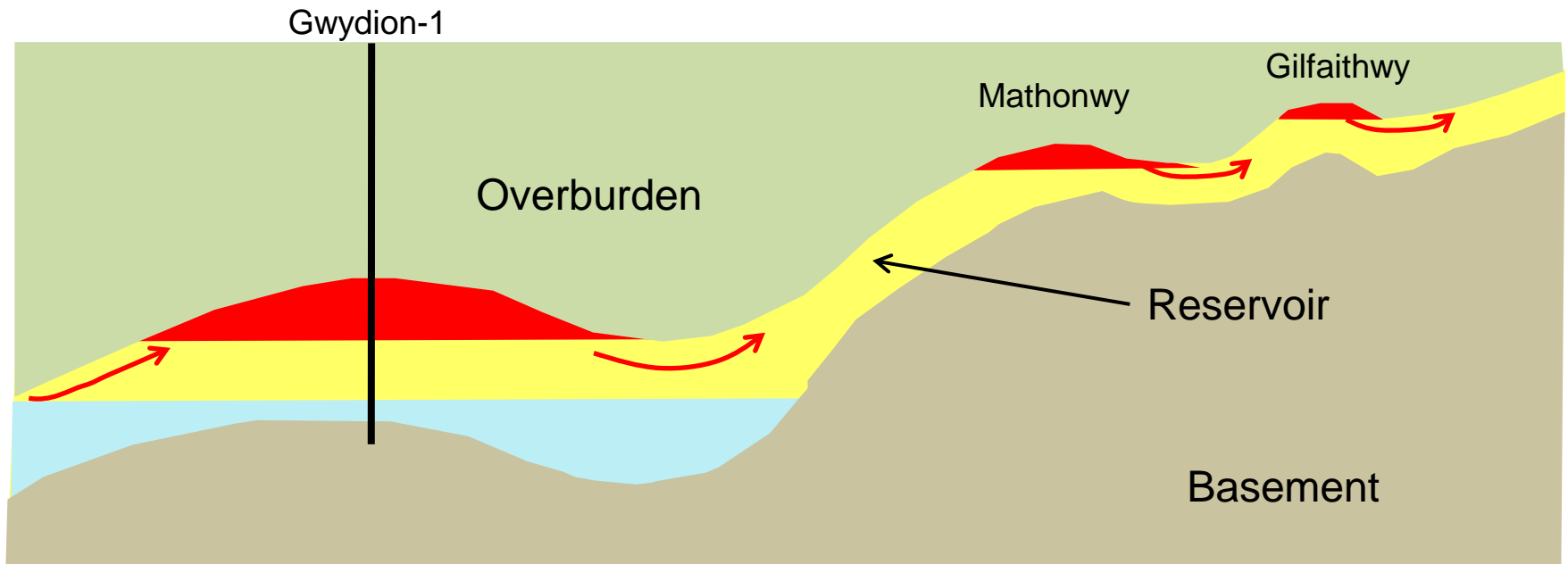
Top Reservoir Depth Map (from pre stack depth migration) with Gas Sand Amplitudes clearly visible at this depth



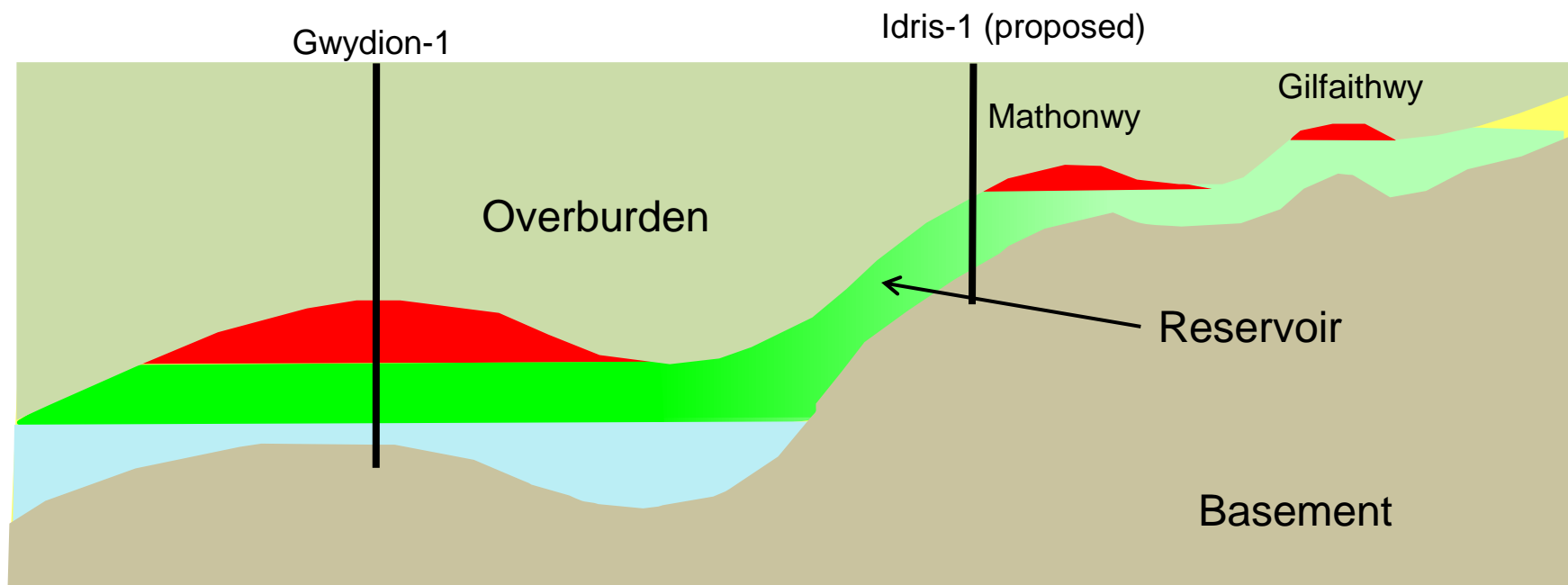
Top Gas Sand Depth Map (from pre stack depth migration) with Gas Sand Amplitudes



Schematic Depth Cross Section showing gas spill chain



Schematic Depth Cross Section showing gas spill chain

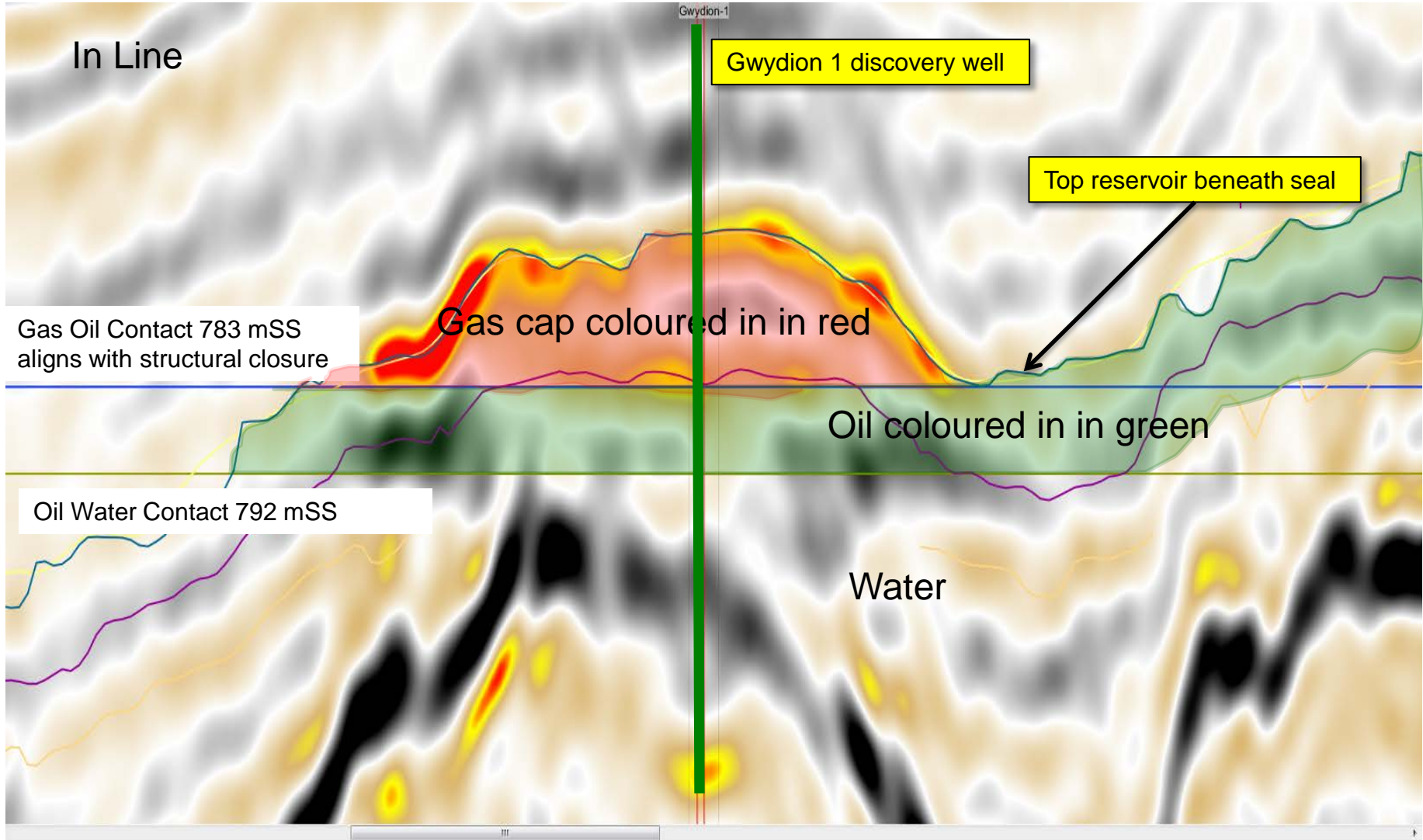


OWC cannot be adequately explained through structural closure or faulting near Gwydion well so how big might an accumulation be?

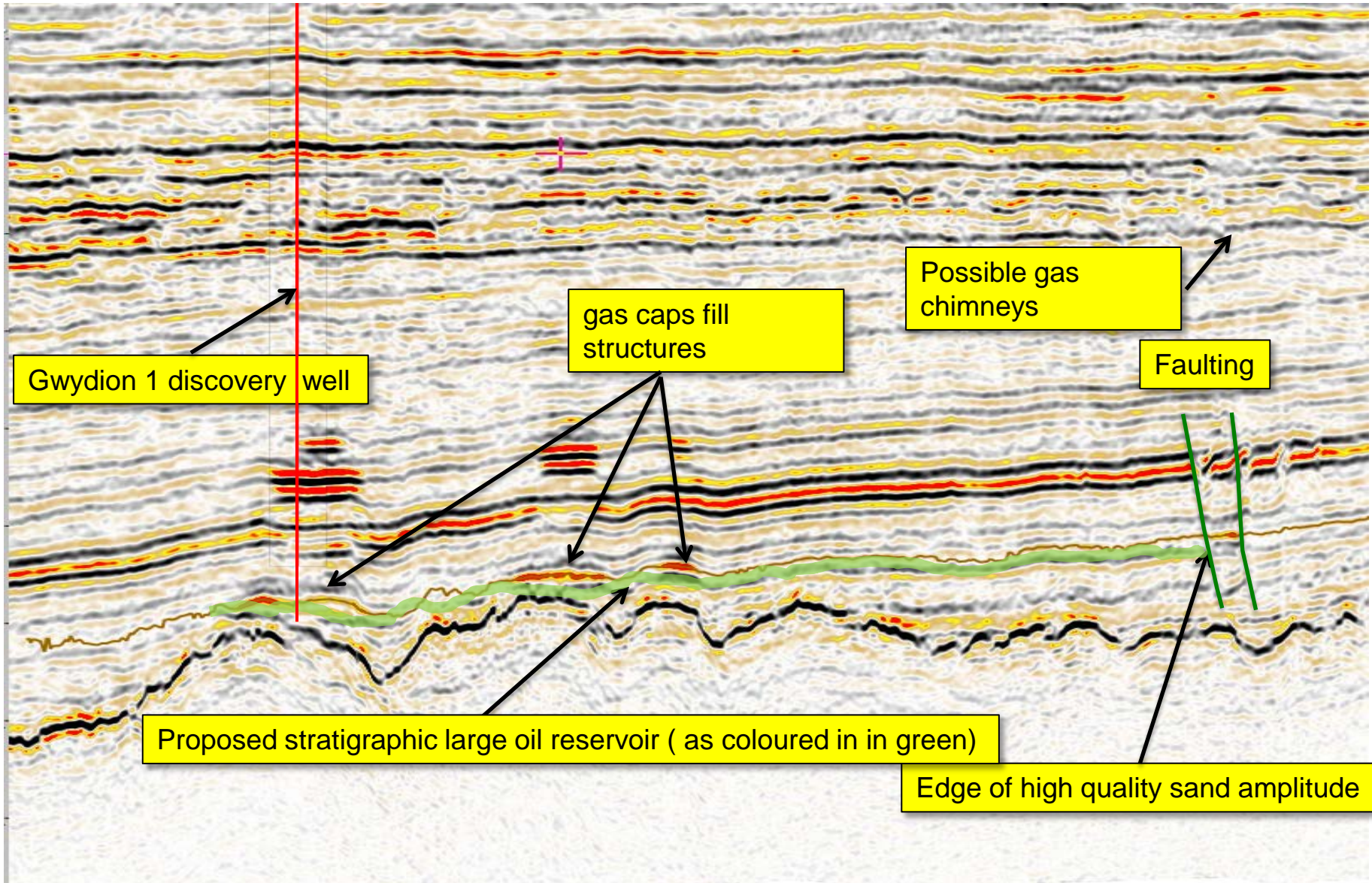
...and what it looks like interpreted on Seismic

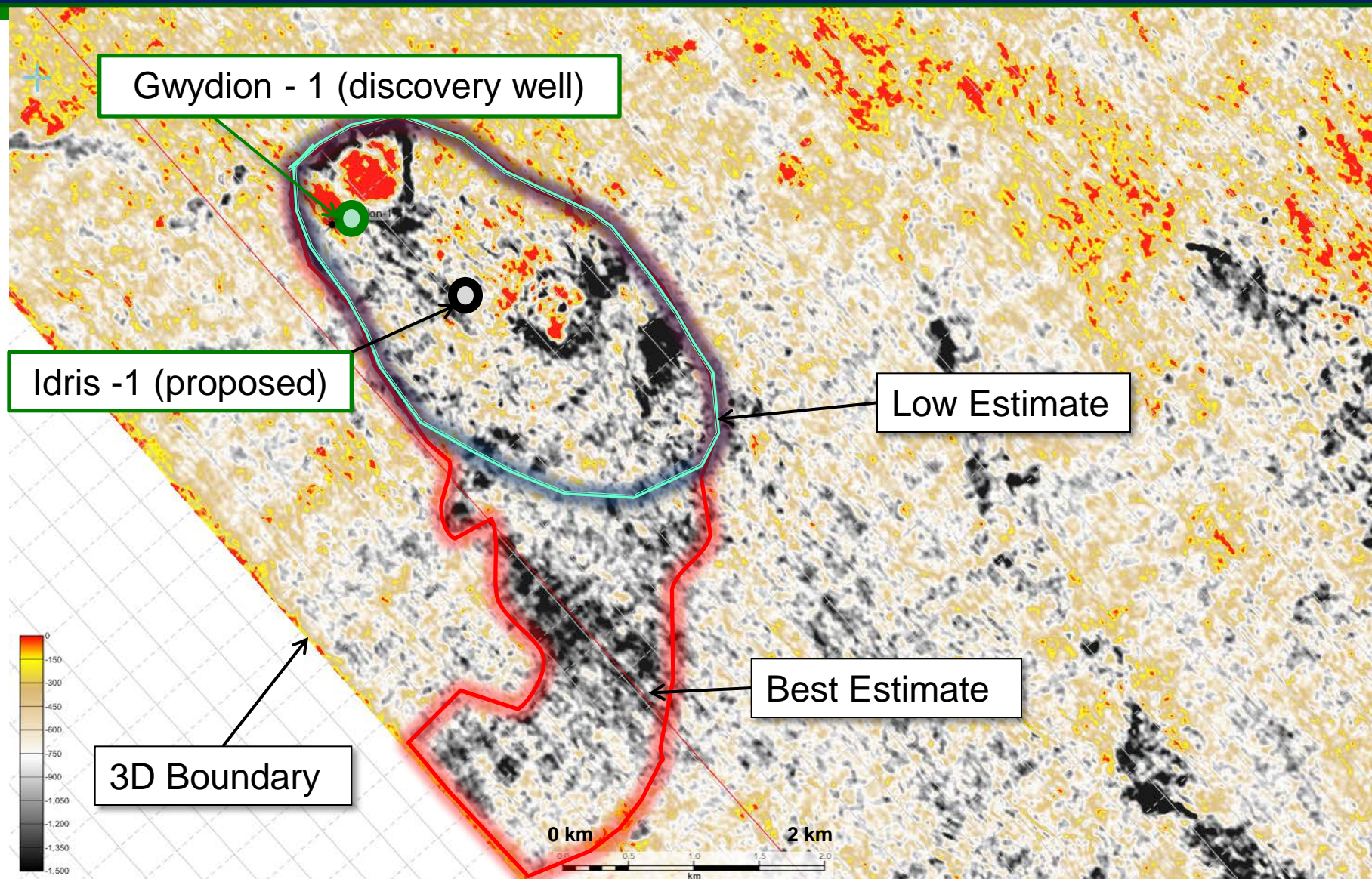
NW

SE



...and what it looks like interpreted on Seismic updip





Indicative outline (limited to 3D seismic data) of the extent of Low, Best Estimates of Idris Prospective Resources – (Gwydion higher quality sand seismic horizon)

Assuming a successful Idris-1 well (100% Project) estimated resources ranges :

Idris Prospect	P90 Low Estimate	P50 Best Estimate	P10 High Estimate
Total of Prospective Resources (MMbbl)	19.8	68.6	159

Prospective Resource Estimates were probabilistically determined

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- Commercial threshold is only 10.8 MMBBLS, so high estimated chance of commerciality if the proposed drilling of Idris-1 successful ~ 98%.
- Low cost offshore appraisal well cost ~ US\$ 12 million at current rates.
- Potential for resources of Idris to be much larger – given our input assumptions
- Plus substantial follow up potential given large acreage position
- Development can be relatively fast. 18 months further appraisal FEED to FID, followed by 18 months – 2 years detailed design and construction

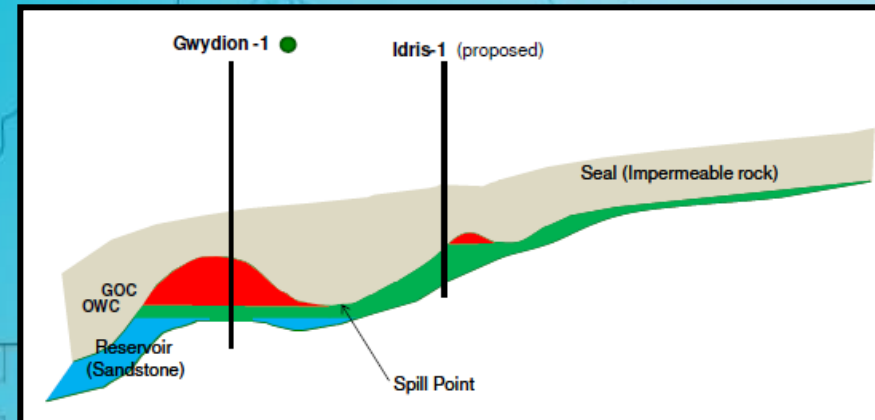
Key Macro Assumptions: Oil price Tapis US\$ 70 /bbl 1 AUD = 0.8-0.75 USD

Summary and Strategy



Company Strategy

- ▶ Early entry with high equity strategic position
 - ▶ – **IPB equity 100% all permits** – Potential Oil Fairway
- ▶ Market Capitalisation **\$4.0m** (200.3 m @2.0 ps – placement price) cash balance (Pro forma June \$1.1 m) ASX code **IPB**
- ▶ **Reputable Board & capable team** - able to operate
- ▶ Aim to partner with Value Add partners
- ▶ WA-424-P re-entered Renewal Period further 5 years – Idris 1 to be drilled in first 3 years.
- ▶ Idris Potential upside 20-160 MMBBLS (P90 –P10) (- Could potentially be much larger – stratigraphic trap
- ▶ Significant follow up development and exploration potential
- ▶ **Farmout process underway – encouraging interest**
- ▶ Low cost well testing upside existing discovery (**Low risk and Cost**)
- ▶ Offers fast path to production and therefore positive cashflow - following a successful appraisal



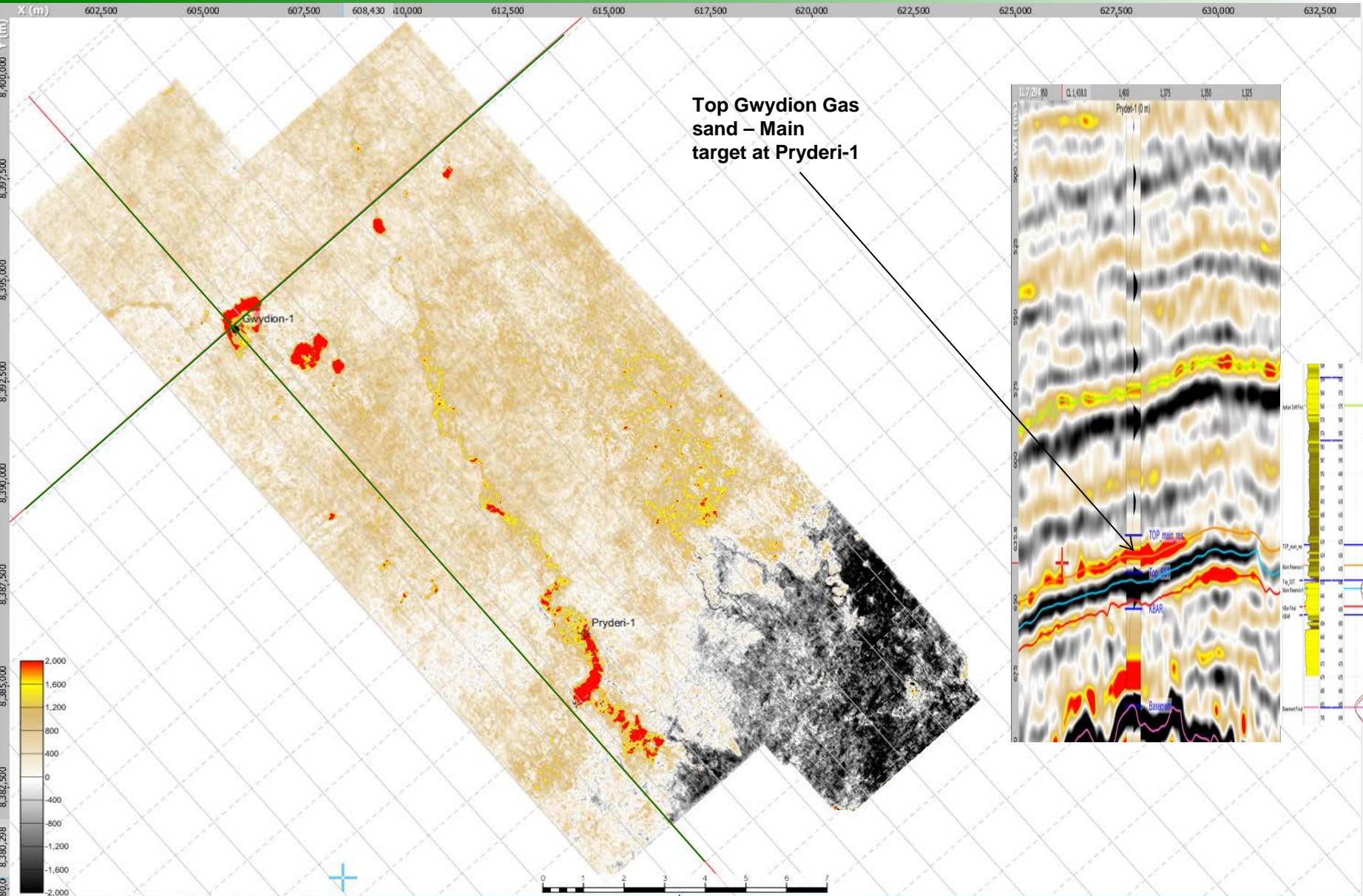
Attractive Farm-in Opportunity



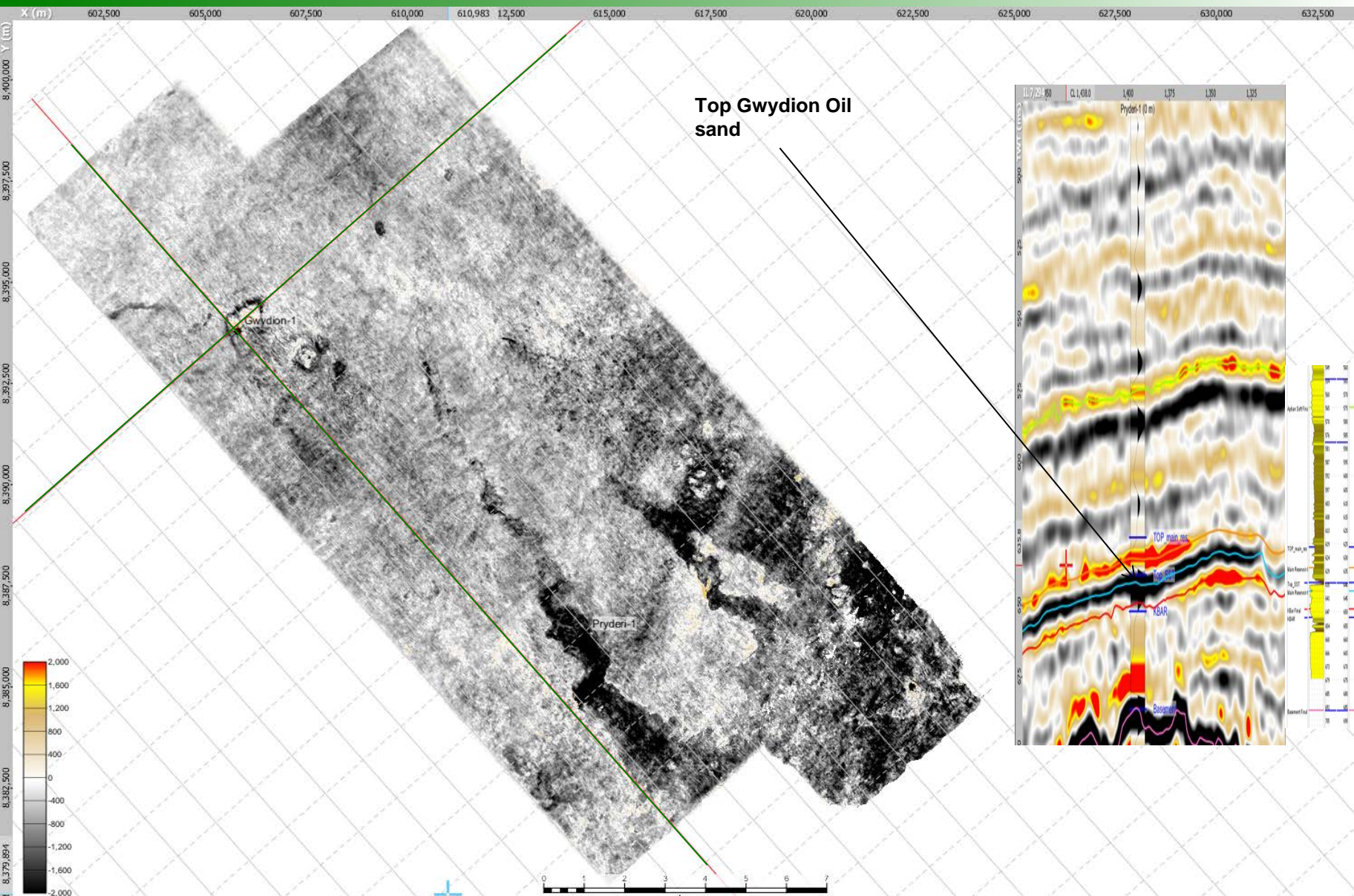
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Appendix 1 – Seismic Characteristics of Gwydion Sand

Amplitude Map – Gwydion gas sand



Amplitude Map – Gwydion oil sand



Gwydion PSDM 3D Seismic Amplitude Extraction Top Oil Sand

