

# MERGER TO PUT INTERNATIONAL ON THE BIG BOURSES

**International Petroleum Ltd (NSX: IOP)** is a company on the verge of significant changes with the potential to propel it from the ranks of the small-cap explorers into the next tier of international exploration and production companies.

A proposal to merge with Range Resources Ltd (ASX: RRS, AIM: RRL) looks likely to see the company move from the less liquid NSX and evolve into a dual listed entity on the ASX and AIM markets.

Range proposes to merge with International Petroleum on a ratio of three Range ordinary shares for every two International Petroleum ordinary shares which, based on Range's current AIM share price values International at around AU\$105 million.

The key near-term focus of the merged entity will be the expansion and development of projects in Trinidad, Russia and onshore Africa able to leverage off significant managerial and technological synergies.

Integral to this strategy will be International Petroleum's CEO Chris Hopkinson, who has been nominated as the managing director of the merged entity, as well as an imminent and significant increase in the company's production profile.

Several of the company's assets in Russia, in its wholly owned Yuzhno-Sardakovsky and Zapadno-Novomolodezhny fields, are due to come into production at the end of the northern winter in the beginning of 2014.

Hopkinson said the wells had been fracked, pumps and intra-field infrastructure installed and, upon the completion of a pipeline, between 3500 and 4000 bopd would begin to flow to a nearby production facility.

Successfully bringing the fields to production mirrors the success Hopkinson, a petroleum engineer with more than 23 years' experience in the industry, had at the helm of Imperial Energy Corporation PLC.

Under his leadership, Imperial Energy progressed from a production level of just 350 bopd to achieve a flow rate of 20000 bopd and hold reserves of nearly a billion barrels of oil by the time the company was sold to ONGC at the



beginning of 2009. The achievement was the culmination of eight years in Russia, which he described as a stable investment environment where it was possible to make healthy profits.

Hopkinson also emphasised the quality of his team of Russian nationals who he said had shown great loyalty to his leadership.

They had followed him from Yukos to Lukoil and then to Imperial Energy and had been invaluable because of the combination of their detailed knowledge of the local environment and of the industry beyond their homeland.

"They understand working in Russia but, equally, they understand western best practice and technologies and how to grow a company that's listed on a western stock exchange and I think that's very important," Hopkinson said.

However, Hopkinson's experience and expertise in Russia was just one of the factors that made him the ideal leader of a company with International Petroleum's asset portfolio. His exposure to the industry in North Africa, where he was BG Group's Senior Vice President, is also regarded as an ideal fit with the assets held by International Petroleum in the burgeoning region.

In December 2012, International Petroleum was awarded production sharing contracts (PSC) over four highly prospective licenses in the south-east of Niger.

Those licenses, Manga 1, Manga 2, Aborak and Ténéré Ouest, cover a combined area of over 70,000sq km in the highly sought-after West African Rift Subsystem, which includes parts of the Termit and N'Dgel Edgi rift basins.

Recently increased activities by a range of international organisations have highlighted the significant untapped potential of this vastly underexplored region.

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