

7 May 2012

The Manager Companies
Company Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

By: e-lodgment - (ASX code: IOG)

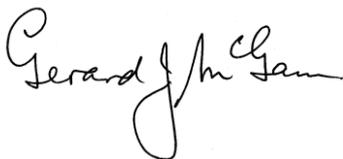
Dear Sir/Madam

DEBT FUNDING FOR NEW FLORENCE ACQUISITION

The Company is pleased to announce that it has signed a mandate and term sheet with RMB Resources Limited (RMB) to secure a US\$8M loan facility to fund the recently acquired Florence oil project in Colorado. Loan approval is subject to successful credit approval and due diligence review by RMB and the Company.

The Company's due diligence on the project is continuing with land end environmental consultants engaged in Colorado. Settlement for this project is due on 29 June.

Yours sincerely



Gerry McGann
Managing Director