
ANNOUNCEMENT TO ASX

Date: 10 December 2010
To: Australian Securities Exchange
Companies Announcement Office
Electronic Lodgment System

Dear Sir

ATP543P South – Refusal of Renewal Application

INP has been informed by the permit licensee Santos QNT Pty Ltd (Santos), that the application for renewal of Authority to Prospect (ATP) 543P has been refused by the Queensland Government (DEEDI).

INP holds a 50% operated interest in the Southern portion of the permit (ATP543P South).

A right of appeal exists and INP is considering its position in this respect.

In the recent Independent Expert valuation of INP, undertaken as part of the current Scheme of Arrangement under which it is proposed that Drillsearch Energy Limited will acquire INP, a median value of \$0.1m was ascribed to INP's interest in the permit, with a valuation range between \$0m-\$4m.

The Independent Expert, BDO Corporate Finance (QLD) Ltd, has considered the implications of the refusal, and concluded that "After considering this additional information we are of the view that, while the information may alter valuation calculations set out in our Report, the information does not cause us to change our opinion that the Proposed Transaction is Fair and Reasonable and in the Best Interests of the Innamincka shareholders".

Yours sincerely
Innamincka Petroleum Limited



Leni Stanley
Company Secretary