INNAMINCKA
PETROLEUM

Chief Executive's Review

Mr David Kinsman

Thank you Adam, and good afternoon ladies and gentlemen.

The Chairman has summarized the key transactions and events of 2009 and highlighted how these are in the process of transforming the company.

Continuing on from this, the key message that we would like to reinforce today is that despite the challenges that we have faced throughout the year, 2009 has been a year of numerous achievements, and the company is well positioned to grow into the future.

INNAMINCKA
PETROLEUM

3

2009 Achievements

- Strategic Shift – Transformational Acquisitions
  - Bass Basin entry

- Key Priorities addressed
- Maintaining a solid Financial Position
- Organisational Realignment

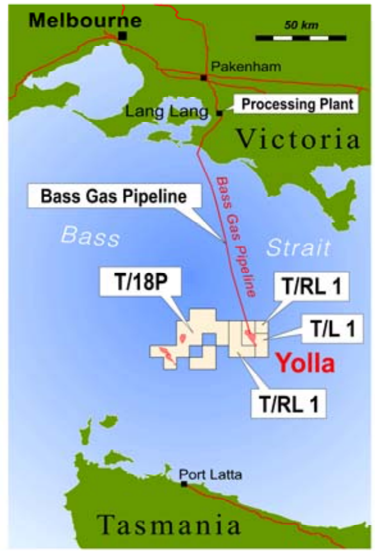
The most significant achievement this year has been the strategic shift beyond the Cooper Basin into new assets.

4

INNAMINCKA PETROLEUM

Bass Basin

- 2 significant transactions
  - T/18P – 5.0%
  - Bass Gas Project (Option) -7.5%
- Long term earnings and cashflow
- Underpins future growth
- Diversification
- Balanced Portfolio
- Exploration Upside
- Key relationships



Advantages of our entry into the Bass Basin are numerous.

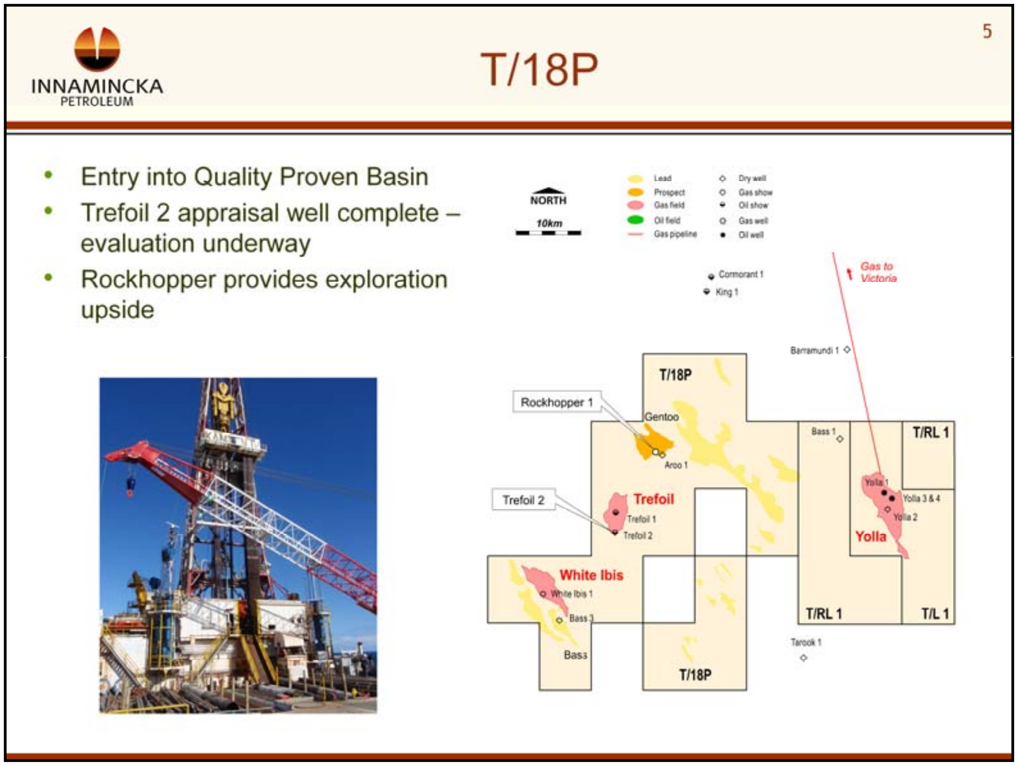
Providing cashflow and earnings to underpin the future growth of the company is paramount.

With these assets, Innamincka's asset portfolio is now more diversified. Diversification into gas production provides a stable long term cash flow. For the BassGas Project this is likely to provide a base potentially in excess of 20 years.

These assets deliver a more balanced portfolio than the company had at the start of the year, with access to production offsetting significant exploration risk.

Not only will the Bass Basin assets bring stable cashflow and earnings but both T/18P and the Yolla fields still bring significant exploration upside.

Associated with these transactions is the relationship that Innamincka and AWE have developed. This has been a key driver to Innamincka's ability to participate in the acquisition of such quality assets. The company continues to work to identify and foster such strategic relationships.



The first of these assets was the initial Bass Basin entry through T/18P.

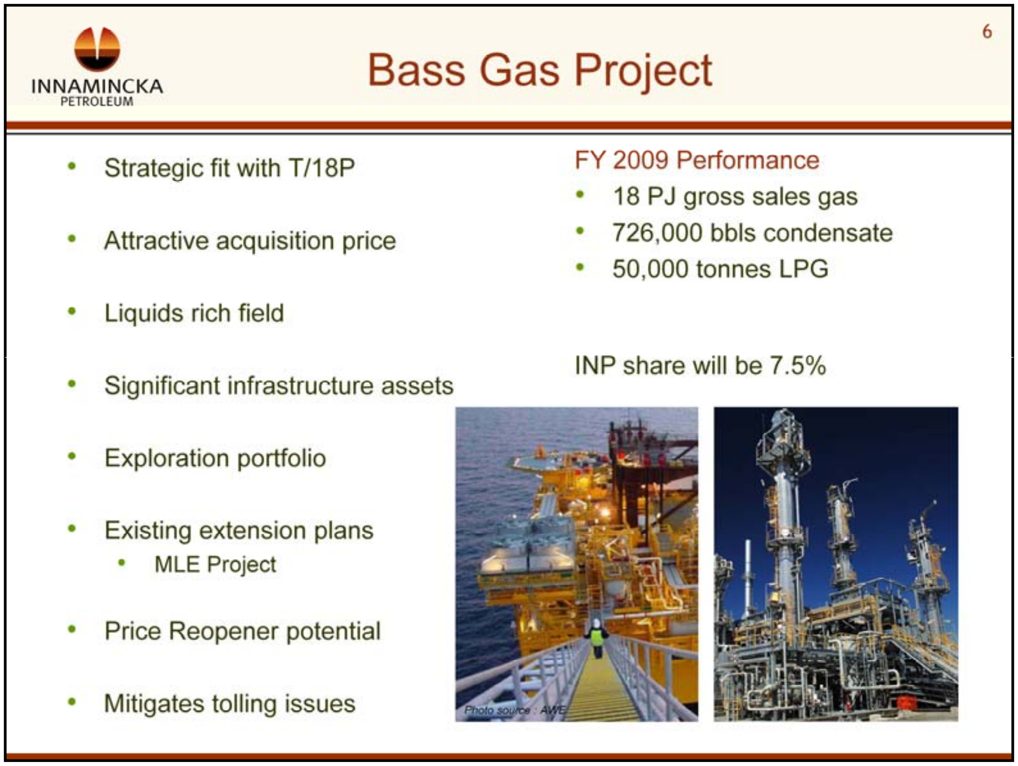
Focussed on a 2 well program of appraisal and exploration, this asset provided entry into a quality proven hydrocarbon basin.

The Trefoil 2 well having reached its objective only last week is still being evaluated, but it appears that the well has achieved its aim of confirming the presence of hydrocarbons in the Trefoil structure.

Further evaluation will be required to assess the drilling results and identify possible development options. Development could be based around a tie-in to the Bass Gas infrastructure, 35 KM away.

The drilling rig will now move to Rockhopper where the exploration well will be drilled on the crest of the Rockhopper/Gentoo structure to test oil potential in the upper sands and to test what is considered to be missed gas pay in the lower sands.

The structure provides significant reserves upside. In the success case, the development options include a stand-alone development, rather than a tie-in through the Bass Gas infrastructure.



The recent transaction on the BassGas Project provides a clear and strategic fit with the interest in T/18P.

The company has secured an agreement with AWE to participate in the Project. This will effectively result in Innamincka's ownership of a 7.5% interest. It is anticipated that this transaction will fully complete in the early part of 2010.

Innamincka has obtained an attractive acquisition price at less than $8 per barrel of oil equivalent, providing immediate value to the shareholders.

In addition to significant reserves of gas, condensate and LPG, the acquisition will provide a series of infrastructure assets including the unmanned offshore Yolla platform, offshore and onshore pipelines, and the gas processing facility at Lang Lang in Victoria.

The project has an immediate period of upcoming activity, with the Yolla platform Mid Life Expansion or MLE project. This 2 year project is targeted at improving efficiency as well as facilitating increased production from 2011. Initial capital commitments are due in 2010.

In addition, significant reserve upside is also available through the Yolla NorthWest and Yolla South gas prospects, along with numerous nearby oil prospects and leads.

Finally, the pending addition of the Bass Gas asset complements the initial entry into T/18P. It provides synergies that mitigate any tolling issues that may have otherwise arisen where a development in T/18P is based on a tie back through the BassGas infrastructure.

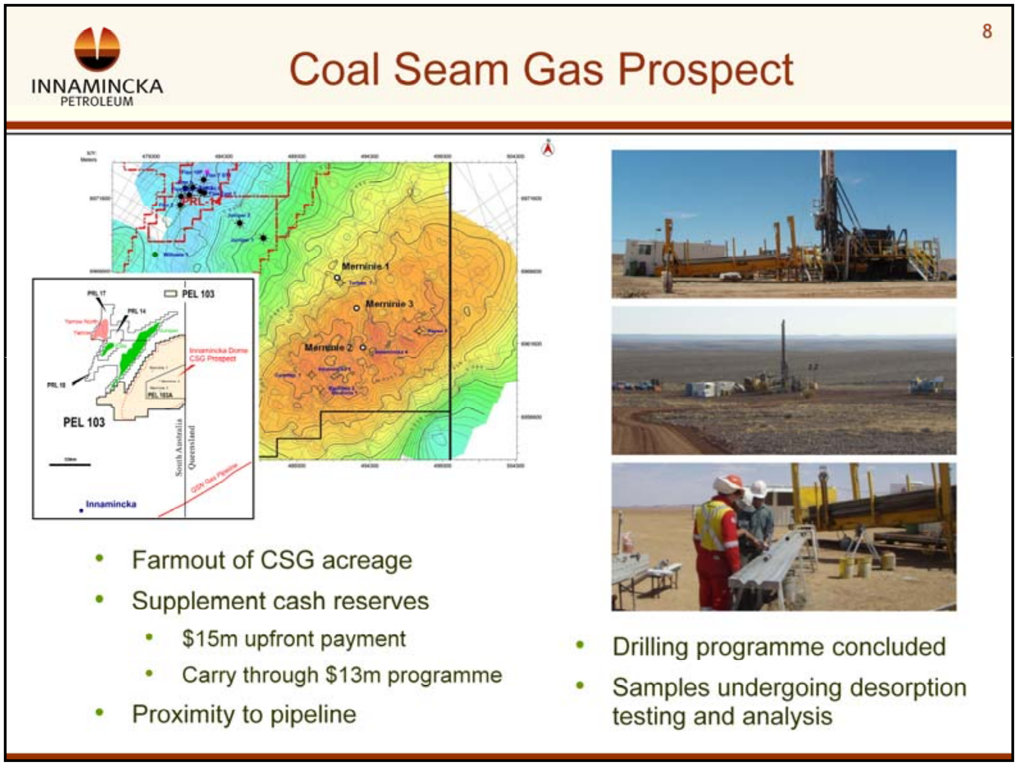
In summary, these two transactions provide Innamincka shareholders with access to quality assets at what can be viewed as attractive prices.

The next major achievement for the year has been the execution of the key objectives set in 2008.

At this meeting 12 months ago, the priorities for the upcoming year were in two areas

- To pursue a potential coal seam gas project on the Innamincka Dome, and
- To maximise results from the Flax field.

The company has applied significant effort and activity in both of these areas.



To date the company has successfully achieved a number of its goals in pursuit of a Coal Seam Gas Program.

On the back of an active farmout program, in January this year we announced a farmout of a portion of our Cooper Basin acreage interests.

Importantly, this transaction provided the company with significant cash reserves, comprising an upfront cash payment of $15m, and with a full carry of Innamincka's costs through a $13m CSG evaluation program.

We saw this transaction as providing a good strategic fit, with AGL providing both experienced operatorship of the CSG programme, as well as necessary avenues to market.

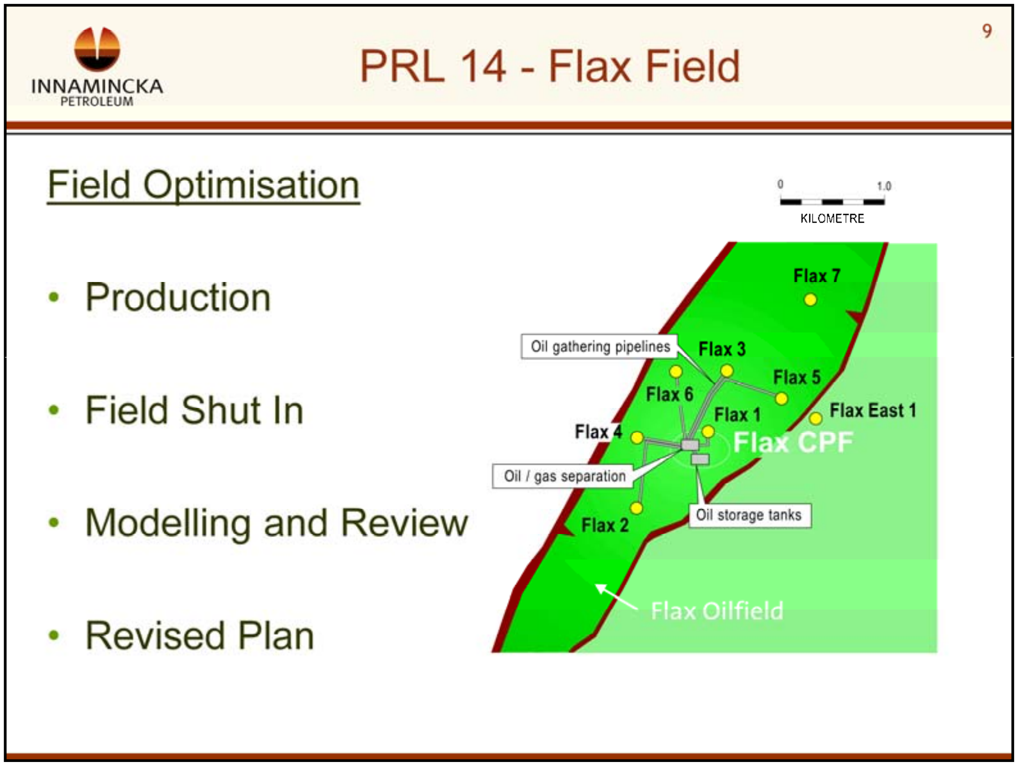
With the proximity of the Innamincka Dome to existing pipeline infrastructure and given AGL's associated supply commitments, this pointed towards a drive to timely evaluation of the Innamincka Dome potential.

This has been evidenced by the planned 3 core hole drilling programme on which the drilling of the final well was concluded over the past weekend.

Despite some problems with the hole condition in the first well, cores were taken from all 3 wells, and associated desorption samples collected. The cores and samples are currently undergoing the test and analysis process, with results now likely early in the new year.

Innamincka has also benefitted from supporting the drilling program through the provision of permitting and site preparation activities and associated logistics. The experience of the Innamincka team in the region was recognized by the AGL team and drilling crew who had no previous exposure to such remote conditions. This involvement also assisted the company in partial recoupment some of the field costs.

Finally, also of note, are both the safety and environmental records of the programme, with the project complete with no significant safety or environmental issues.



The other key objective for 2009 was to maximize results from the Flax field in PRL-14, operated by Innamincka

Significant focus and effort was placed on optimizing field productivity.

Production testing of the Flax Field from Flax 1, 2, 3 ,4 and 6 continued into the first quarter of 2009. Flowline construction and tie-in of Flax 5 was completed and the well brought online in January.

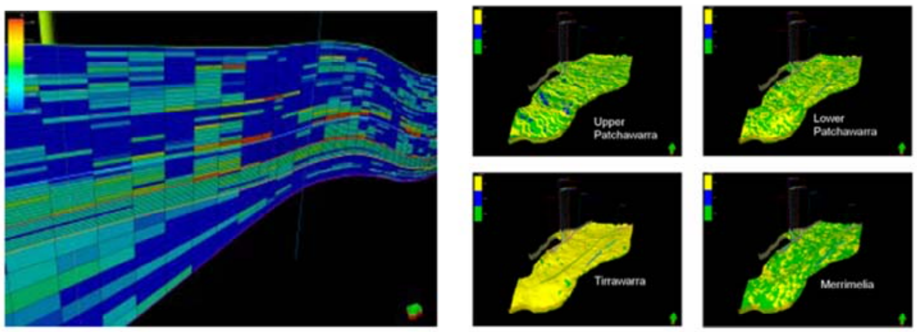
Production continued through to May, and during this period cumulative production for the field to date passed 100,000 barrels.

By this time daily production had dropped to sub-commercial levels at existing oil prices, which had also declined significantly, and the field was shut on the 22nd May. As a result, operations in the field were, and continue to be, scaled back to reduce costs where possible.

11

Flax [continued]

- Flax Studies
- Modelling and simulation



To determine the optimal future of the field, an independent consulting firm (RISC) was commissioned to carry out a dynamic reservoir simulation study of the Flax Field. RISC had previously carried out an independent volumetric assessment of the Flax Field for Innamincka and had significant regional experience.

The study's objectives were to evaluate depletion options including further infill drilling and/or gas re-injection.

Key conclusions from the study were that :

- Field performance is characterised by low formation permeability and porosity, and that
- Reservoir connectivity is poor

Together these indicate that despite the likelihood that there is significant oil in place, extraction is problematic

INNAMINCKA PETROLEUM

PRL 14 - Flax Field

12

Forward Strategy

- Production to recommence immediately
- Maximise production whilst economically viable
- Low cost operations
- Oil Price dependent
- No justification for further investment on development at current oil prices

The study determined that the most commercially appropriate strategy is to recommence production from the field, optimising production until no longer commercially viable.

It is anticipated that production will recommence this week, once regulatory approvals have been received. Once the field is on line, it is expected that initial production rates in the order of 300 barrels per day will be achieved.

Field viability will depend partly on oil price, which at the moment is being controlled by high inventories and a surplus of supply over demand. This may change as economies pick up, and probable higher oil prices may alter the long term view of the Flax field.

However, at current oil prices no commercial justification exists for additional investment in field development.

I want to highlight that we have undertaken **thorough and rigorous analysis** to explore various options with the Flax Field and recognize that whilst commercial production is achievable, the duration of the economic field life may be short-lived.

2009 saw Completion of planned facilities activity in the field, comprising

- Construction and commissioning of Stage One of the Processing Facility, and
- Completion of outstanding safety and cost efficiency items, including installation of a Group Separator and gas-fired power generator

As operator of the Flax field, the company recognises its responsibilities in the area of the health, safety and the environment. The company continues to manage these areas proactively, with good results.

The next key achievement has been the ability of the company to maintain a strong financial position through a period of production challenge and economic downturn.

Innamincka still maintains a balance sheet that contains around $12million dollars of free cash reserves, and no debt.

This provides the company with the flexibility to react to quality acquisition opportunities, and has facilitated the diversification into the Bass Basin in 2009.

The ability to maintain this position can be attributed to three key factors:

> •The ability to extract value from existing assets – as evidenced by the cash injection and free carry achieved from the CSG farmin early this year
>
> •The ability to scale back costs in period of economic challenge. This has been achieved both in the field and corporate office.
>
> •And finally, the proactive search for attractive assets. Attractive in terms of quality, assets that will interest investors, and the acquisition of these assets at attractive prices. The success of the Share Purchase Plan in August, and the broad analyst recognition of the low BassGas acquisition price are examples.

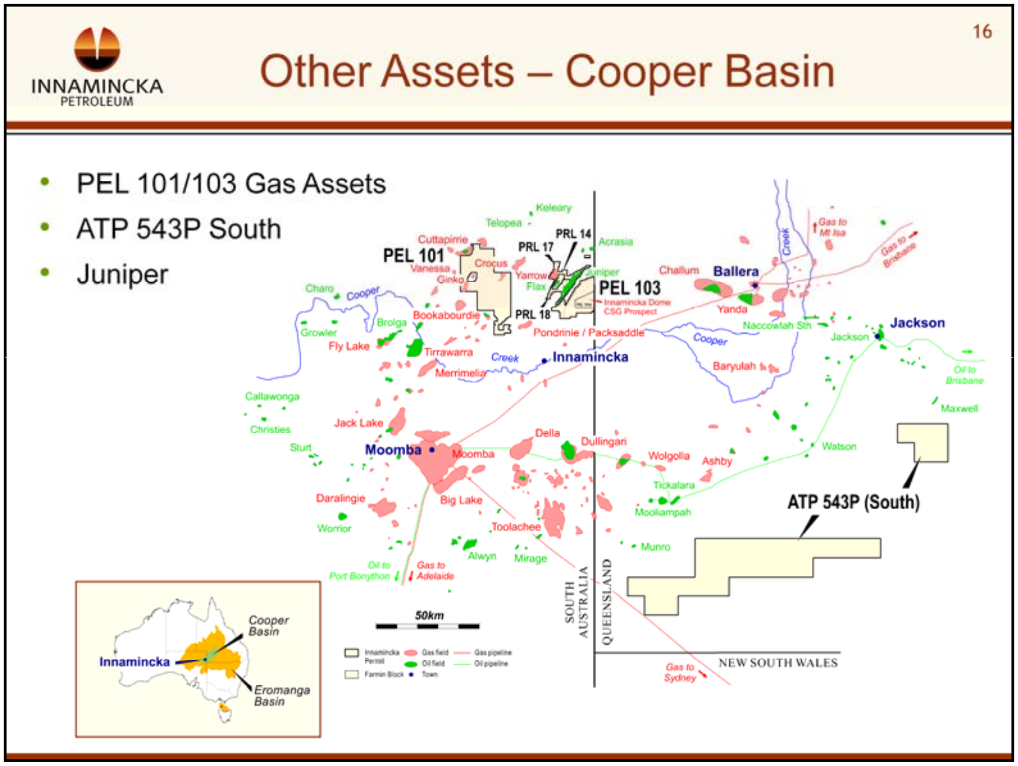
The final key achievement was to undertake the activities above whilst managing through a period of organizational change.

Significant change in management and organization was undertaken in early 2009, including my appointment as CEO.

Following those changes, we have been determined to maintain a lean team of talented professionals. The company now consists of 6 individuals covering professional and administrative functions, with 2 field based supervisors. This enables the company to maintain a low overhead structure.

Of significance is that fact that the company still operates 4 joint ventures incorporating 6 exploration and retention licences.

It is with some satisfaction that I look back on the year to date and consider the outcomes that we have achieved with such a small focused team. Notwithstanding, we will add to this team as necessary to support our growth.



Before I look to the year ahead, it would be remiss of me not to cover off on the remainder of the company's asset portfolio.

Predominantly exploration assets located in the Cooper Basin, the remaining assets can be characterized as follows :

Firstly, are the Gas prospects in PEL-101 and the Yarrow field in PRL-17. These assets are under consideration for an aggregated gas development. Success in the CSG evaluation program would be sufficient to provide commercial justification for such a development; to date in 2009 activity has been minimal awaiting the CSG drilling results

Secondly, ATP543P South – here Santos undertook the Omicron 2D seismic study in late 2008 and the subsequent interpretation results were received in the second half of this year. This interpretation identified the updip Mundrabilla prospect, but both parties are now reviewing associated regional information to determine the preference for further seismic activity prior to the drilling of any commitment wells.

Lastly, The Juniper discovery in PRLs 17&18. Activity has been deferred here until we have a full understanding of the reservoir characteristics and performance from Flax. As discussed earlier, this has taken the main focus of the technical team for this year.

Now that that activity is complete, focus will turn to the implications for further evaluation of Juniper.

The same can be said for all the Cooper Basin assets – we intend to work to minimise unnecessary expenditure; at the same time, we plan to extract maximum value from the assets.

So, in summary, your company has seen off the challenges and disappointments imposed by some of its historical assets, along with the recent economic downturn. It has undertaken some transformational transactions to position it well for the year ahead.

So what are the key priorities for 2010?

In the Bass Basin, it is imperative that we must complete the BassGas acquisition with a funding arrangement that maximizes shareholder value.

We also need to complete the T/18P drilling programme and evaluation to define the optimum commercialization path in the event of success.

With production soon to be reestablished from the Flax field, there is a key imperative to maximise the cashflow and earnings from the field production in a safe, efficient low cost operation, extending commercial production as long as possible.

We need to progress through a thorough evaluation of the CSG potential, based on the test and analysis results that will be available in the new year

There are a number of other historical assets in the Cooper Basin where activity has been deferred whilst we have gained a better understanding of the Flax field, or are awaiting the outcomes of the CSG drilling programme evaluation. These assets all have value and it is imperative we progress in 2010 to identify the optimum value creation path for each of these assets, and begin to realise some of that value.

Finally, underpinned by the confidence provided by pending access to cash generating assets, we should continue to build on the relationships that we have developed throughout 2009, and look for and evaluate additional expansion and acquisition opportunities that complement the current direction.


18
INNAMINCKA
PETROLEUM
Thank you
A copy of this presentation can be
downloaded from the company website
www.innapet.com.au

Thank You

INNAMINCKA PETROLEUM

General Disclaimer

- This document has been prepared by Innamincka Petroleum Limited to provide existing and prospective investors in Innamincka Petroleum Limited with an update on the Company and its operations.
- This presentation, including the information contained in this disclaimer, does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither the presentation, disclaimer nor anything contained in them forms the basis of any contract or commitment. This presentation does not take into account your individual investment objectives, financial situation or particular needs. You must not act on the basis of any matter contained in this presentation, but must make your own assessment of the Company.
- No representation, express or implied, is made as to the fairness, accuracy, completeness or correctness of information contained in this presentation, including the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in the presentation ("forward-looking statements"). Such forward-looking statements are by their nature subject to significant uncertainties and contingencies and are based on a number of estimates and assumptions that are subject to change (and in many cases are outside the control of Innamincka and its directors) which may cause the actual results or performance of Innamincka to be materially different from any future results or performance expressed or implied by such forward-looking statements.
- To the maximum extent permitted by law, none of Innamincka, or their related corporations, directors, employees or agents, nor any other person, accepts any liability, including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.