
ANNOUNCEMENT TO ASX

Date: 11 November 2010
To: Australian Stock Exchange Limited
Companies Announcement Office
Electronic Lodgment System

Dear Sir

Despatch of Scheme Booklet

Innamincka Petroleum Limited (**ASX: INP**) (**Innamincka**) confirms the despatch on 11 November 2010 of the following documentation to Innamincka shareholders in relation to the proposed merger of Innamincka and Drillsearch Energy Limited (**ASX: DLS**) by way of scheme of arrangement (**Scheme**):

- Scheme Booklet incorporating the Explanatory Statement and Notice of Scheme Meeting to be held on 14 December 2010;
- Proxy Form; and
- Election Form (to potential Small Innamincka Shareholders only).

The Scheme Booklet sets out details of the proposed Scheme, explains the effect of the Scheme and provides important information for shareholders in making a decision whether to vote in favour of the Scheme.

A copy of the Scheme Booklet and Proxy Form are attached and a copy of the Scheme Booklet, the Independent Expert's Report and the Technical Experts' Reports are also available on the Innamincka website (www.innapet.com.au). Innamincka shareholders are advised to read the Scheme Booklet thoroughly before deciding whether or not to vote in favour of the Scheme.

The release of the Scheme Booklet follows the orders of the Federal Court of Australia, on 8 November 2010, for the convening of a meeting of Innamincka shareholders to vote on the scheme of arrangement to give effect to the Scheme.

Independent Expert's Report

The Independent Expert, BDO Corporate Finance (QLD) Ltd, has considered the Scheme and has concluded that the Scheme is fair and reasonable and in the best interests of Innamincka shareholders.

Directors' Recommendations

The Innamincka Directors unanimously recommend that Innamincka shareholders vote in favour of the Scheme at the Scheme Meeting in the absence of a superior proposal. The Innamincka Directors intend to vote in favour of the Scheme in respect of all of the Innamincka Shares that they own or control in the absence of a superior proposal. The reasons for the Innamincka Directors' recommendation are set out in the Scheme Booklet.

Enquiries

If you have any questions in relation to the Scheme or the Scheme Meeting, please call the Innamincka Shareholder Information Line 1800 503 908 (toll free in Australia) or +61 2 8256 3374 (if calling from outside Australia) between 9:00am and 5:00pm (Sydney time) Monday to Friday.

Yours sincerely

Innamincka Petroleum Limited

A handwritten signature in black ink, appearing to read "Leni Stanley". The signature is written in a cursive, flowing style.

Leni Stanley
Company Secretary