

ANNOUNCEMENT TO ASX

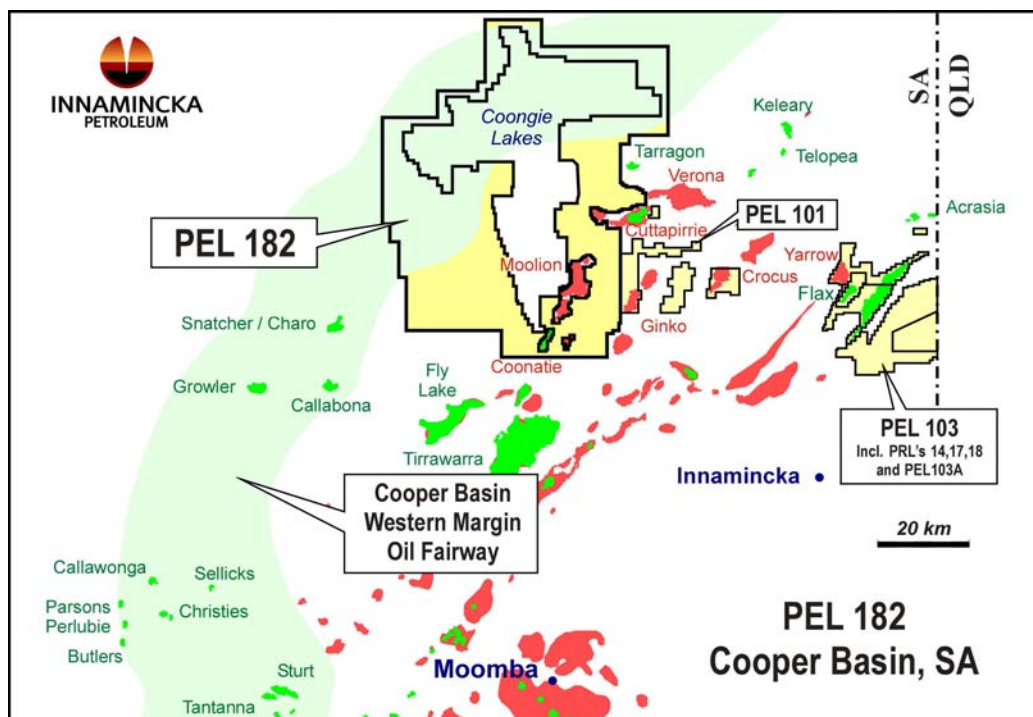
Date: 1 June 2010
To: Australian Stock Exchange Limited
Companies Announcement Office
Electronic Lodgment System

Dear Sir,

ACQUISITION OF INTEREST IN PEL-182 - WESTERN MARGIN OF COOPER BASIN

Innamincka Petroleum Limited (“INP”) has executed a legally binding letter agreement to acquire a 37.6% unencumbered working interest in PEL-182 from Strategic Energy Resources Ltd (“SER”).

PEL-182 is located on the prospective and productive western margin of the Cooper Basin. The western margin has attracted increasing market recognition following a number of recent oil discoveries along the western flank oil fairway.



Asset Highlights

PEL-182 encompasses 1,750 km² of prospective acreage on the western margin of the Cooper Basin.

The block is believed to contain an extension of the prospective oil play being successfully explored and developed by companies such as Beach Energy, Victoria Petroleum, Drillsearch, Impress Energy, Cooper Energy and Stuart Petroleum.

Oil sourced from the Permian Cooper Basin is expelled along the margins and trapped in the overlying Eromanga basin reservoirs.

Recently, the application of 3D seismic to exploration along the trend has resulted in better definition of drilling targets, with improved drilling success rates resulting in a number of oil discoveries.

The Transaction

The transaction is in the form of a legally binding letter agreement comprising the following terms and conditions:

- 1) payment of \$927,200 cash (excluding GST) for SER's unencumbered 37.6% interest in PEL182 excluding SER's interest in joint venture physical assets;
- 2) approval by PIRSA of the transfer to INP of the 37.6% interest in PEL182 (as a condition subsequent) with \$300,000 held in escrow pending transfer registration;
- 3) any party with rights of pre-emption waiving or otherwise failing to exercise those rights to the satisfaction of INP;
- 4) PIRSA approval to the 6 month extension to PEL182 currently under application (as a condition subsequent); and
- 5) sale and purchase agreement executed within 21 days of acceptance containing warranties and indemnities from SER as to, inter alia, clear title to the 37.6% interest in PEL182, and completion within 7 days of satisfaction or waiver by INP of condition 3) above.

These terms and conditions are in the process of being formalised in a sale and purchase agreement. It should be noted that the present PEL182 joint venture agreement contains rights of pre-emption for the other parties in the joint venture to acquire the interest on the same terms and conditions if notice of such is given to SER within 30 days.

Funding

Funding for the acquisition will be sourced from existing cash reserves.

More details will follow once the transaction is completed.

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