

30 July 2004

The Manager
Companies Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
Sydney NSW 2000

Report for Quarter Ended 30 June 2004

Following the official ASX listing of Innamincka Petroleum Limited in late 2003, the company drilled four wells in PEL 103. Two of these wells, Yarrow 1 and Flax 1 were successful and were cased and suspended as future petroleum producers. By funding 70% of the costs of these four wells, the company earned the right to interests in three petroleum permits in the Cooper-Eromanga Basin.

During the current quarter, preparatory work for the next phase of exploration and appraisal activities has been the primary task. These can be summarised as:

- **Exploration Drilling**

Three exploration wells in PEL 103 and two exploration wells in PEL 101 are currently planned for the upcoming drilling program. The wells will be testing both oil and gas prospects and will also fulfill statutory permit work obligations. The first well in PEL 101 will be Crocus 1, whilst the first exploration well in PEL 103 will be Willowie 1.

- **Appraisal Drilling**

One appraisal well, Yarrow 2 is planned in PEL 103. The well will test the lateral continuity of reservoir quality in the gas-bearing Tirrawarra Sandstone together with examining the downdip extent of the Yarrow gas field. This well will be the first well in the upcoming program.

- **Seismic Survey**

A 420 km 2D seismic survey over the northern and south central parts of PEL 103 has been formulated. The acquisition contractor, Terrex Seismic, is scheduled to undertake the survey during the August-September period. The data is expected to provide the company with an increased portfolio of drillable prospects for future consideration.

- **Production Testing**

Completion of the Flax 1 well over the oil-bearing Tirrawarra Sandstone and the subsequent production testing of this zone is planned to commence in the next quarter. All necessary equipment and contract services have been finalised and regulatory approvals for these works have been secured.

Other activities during the quarter included:

- **Permit Administration**

Under the terms of the Farmin Agreement, in late June, the company notified its Joint Venturer, V E Faulconer Australia Incorporated, that it would be accepting its earned interests in PEL 101, PEL 103 and ATP 543P South.

- **Corporate**

The company commenced its second capital raising to provide funds for the upcoming field program.

Subsequent to the 30 June

The drilling program commenced and the first well, the appraisal well Yarrow 2, was plugged and abandoned after the gas-saturated Tirrawarra Sandstone was found to be tight at this location. The drilling rig moved to the Crocus 1 location and spudded Crocus 1 on 30 July.

Finalisation of the assignment deeds under which Innamincka Petroleum will be assigned a 35% interest in PEL 103 and a 50% interest in both PEL 101 and ATP 543P South, together with the respective Joint Operating Agreements, is nearing completion. The South Australian permit documents will be stamped and registered with the Primary Industries & Resources SA.

The company completed its second capital raising in early July.

Ross Wecker
Managing Director