

29 April 2005

The Manager
Companies Announcements Office
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Sydney NSW 2000

Activity Report for Quarter Ended 31 March 2005

During the reporting period, Innamincka Petroleum Limited ("INP"), as the operator for the PEL 101, the PEL 103 and the ATP 543P South Joint Ventures, was engaged in preparations for the 2005 drilling program, planning for the fracture stimulation of the Flax 1 well and seeking suitable farminees for areas within the respective permits.

- **PEL 101 (50% Innamincka)**

The drilling of the Ginko 1 well, 6 km north of the Coonatie gasfield, is scheduled for 2Q 2005. The well has multiple gas targets within the Triassic and Permian section. In addition, a 100 km seismic survey in the Kapok-Crocus area is programmed for acquisition in July 2005. Planning for both activities began during the quarter ended 31 March. In addition, negotiations with parties interested in farming into the permit commenced during that same period.

- **PEL 103 (35% Innamincka)**

The drilling of Juniper 2 is planned as the first well in the 2005 drilling campaign. The well will be sited to examine the downdip extent of the basal Patchawarra/Tirrawarra oil accumulation discovered in Juniper 1. Cultural clearance of the drill site has been completed and regulatory agreement sought. The ODE Rig 30 is currently expected onsite late April / early May.

Flax 2 will be drilled following Juniper 2 and coring of both the Patchawarra gas interval and the Tirrawarra oil zone will be undertaken. Initial planning and site clearance commenced in March.

Two exploration wells, nominally Alder 1 and Spindle 1, will be drilled on prospects in the northern permit area in 4Q 2005. These prospects will be detailed by a 3D

seismic survey extending from the adjacent permit. The survey is being conducted by Stuart Petroleum and is currently scheduled for June 2005.

A third exploration well, Aspen 1, is scheduled for drilling in the 4Q 2005 and will test a large Eromanga structure east of the Cummin area. Discussions with potential farminees for the project areas encompassing these drill prospects commenced during the quarter.

Data processing of the Juniper seismic survey over the northern and central parts of PEL 103 was completed during the quarter ended 31 March. Interpretation and mapping of the data has begun. The data will provide the company with additional coverage of the current fields, an increased portfolio of drillable prospects for future consideration and a more detailed understanding of the structural configuration of the region.

During the quarter, planning for the fracture stimulation of Flax 1 commenced. Operational design was developed in conjunction with Halliburton. Installation of the frac tubing string and the frac wellhead was undertaken in March by the ODE Rig 5 workover rig. The well operation is scheduled for May, subject to availability of the Halliburton crew and gear.

- **ATP 543P South (50% Innamincka)**

One exploration well, Zeta 1 is programmed for drilling in late 2005. The prospect is targeting oil in the Murta Formation and the Namur Sandstone and lies on a potential migration pathway away from the Tickalara Oilfield some 10 km to the north. The Joint Venture has decided to seek a farminee for the exploration of the permit and discussions began with interested parties.

- **Permit Administration**

Renewal of ATP 543P for a four year term commencing in February 2005 by the Qld Department of Natural Resources and Mines is awaiting completion.

In summary, INP will be participating in a planned seven well drilling program in 2005. The current quarter activities have largely revolved around preparations for the commencement of the drilling program and the fracture stimulation of the Flax 1 well. In the next quarter, it is anticipated the Juniper 2 appraisal well followed by the Flax 2 appraisal well will be drilled together with the Flax 1 stimulation. Exploration drilling on the three permits and seismic surveys in two permits are scheduled for the 2H 2005.

Ross Wecker
Managing Director