

26 July 2007

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

Report for Quarter Ended 30 June 2007

During the reporting period, Innamincka Petroleum Limited (“Innamincka”), as operator of the PEL 101, the PEL 103 and the ATP 543P South Joint Ventures in the Cooper Basin, finalised its \$15 million capital raising and repaid its debt facility with Macquarie Bank.

Innamincka holds a 75% working interest in PEL 103 (excluding the Aspen farmout block) and a 50% working interest in ATP 543P South. With respect to PEL 101, Innamincka and joint venturer, Midcontinent are negotiating with VFI for the pro-rata purchase of VFI’s 37.5% working interest in the permit. It is anticipated the purchase will be finalised in July-August. Upon purchase completion, Innamincka will hold a 60% working interest in PEL 101.

Planning for the Flax field activities were completed during the quarter. Delays in the refurbishment of the Ensign Rig 30 precluded the start of the field program until early July.

PEL 101 (37.5% Innamincka)

There was no field activity in this permit during the reporting period. It is planned to drill one exploration well in early 2008. Kapok 1, sited crestally upon the Kapok anticline and with the potential to contain 20-25 bcf gas in place, remains the preferred exploration drilling candidate.

PEL 103 (75% Innamincka)

The initial two well program on the Flax oilfield was anticipated to commence during the quarter. Refurbishment of the drilling rig, Ensign Rig 30 exceeded the expected timeframe and drilling of the first well, Flax 3, commenced on 9th July.

An independent assessment of the Flax field reported P50 recoverable reserves in excess of 4 million barrels (mmstb) oil (Innamincka share 3 mmstb). Discussions with the well completion and fracture stimulation contractors were continued to ensure availability of their respective services in line with a project start date in August.

The drilling of Flax 3 and Flax 4 production wells and the subsequent fracture stimulation of the reservoir units in these wells and the previously-drilled Flax 2 production well is now scheduled for August. Initial oil production from these 3 wells will proceed on natural decline until the compressor unit is commissioned in late September. Thereafter, recycled gas injection into the oil reservoir units via the Flax 1 well will commence.

The current program includes the exploration well testing the possible connection of the Flax and Juniper oilfields. This well, Flax East 1 is scheduled for drilling in August/September following the Flax field development wells.

Other projects under investigation include the drilling of the North Yarrow exploration well testing for an oil accumulation associated with the 1970 Yanpurra oil discovery and the fracture stimulation/production testing of the basal Patchawarra-Tirrawarra section in Juniper 1 to establish commercial productivity within the broad Juniper oilfield.

Farmout Blocks within PEL 103

Aspen Block (75% Innamincka)

No activity was conducted during the quarter. Avery Resources has earned a 25% working interest in the block.

Turban Block (75% Innamincka)

Avery Resources has the right to acquire a 35% working interest through the funding of a 3D seismic grid over the block. Subsequently, Innamincka participation would be reduced to a 48.75% working interest. The acquisition of the 3D seismic survey is currently planned for early-mid 2008. The survey is designed to define potential traps within the prospective Permo-Triassic section updip of the extensive Juniper oilfield.

Candra South Block (75% Innamincka)

Avery Resources has the right to earn a 25% working interest in the block by contributing to the funding of two exploration wells. One well has been drilled to date.

The Sprigg Extension 3D Seismic Survey was acquired over the western part of the Candra South block and was designed to delineate structural culminations with oil potential in the Jurassic and Triassic (Eromanga Basin) section. Processing difficulties delayed the provision of these data and interpretation is scheduled to be completed during the next quarter. Subject to joint venture approval, drilling of the second exploration well based on the seismic data will be undertaken in early 2008.

ATP 543P South (50% Innamincka)

During the reporting period, planning for a seismic survey over the most prospective parts of the block was advanced in technical discussions with joint venturer, Santos. The survey forms part of the Cooper oil program being pursued by Santos along the eastern edge of the Cooper Basin.

Other Activities

Innamincka presented a company review at the Excellence in Upstream Energy conference in Sydney in May.

A handwritten signature in black ink, appearing to read "Ross Wecker". The signature is fluid and cursive, with a large initial "R" and "W".

Ross Wecker
Managing Director