



INNAMINCKA
PETROLEUM
ACN 101 313 777

Office 1 - Ground Floor
924 Gympie Road
CHERMESIDE QLD 4032

PO Box 2378
CHERMESIDE QLD 4032
Telephone: (07) 3359 8988
Facsimile: (07) 3359 8985
www.innapet.com.au

30 April 2009

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

Report for Quarter Ended 31 March 2009

Highlights

- Completion of a farmout agreement with AGL Energy Limited (AGL) in PEL's 101 and 103 (including PRL's 14,17 and 18) significantly improving INP's cash reserves through providing \$15m cash and \$5m future carry
- Coal seam gas (CSG) drilling programme activities initiated in PEL103
- AGL's involvement as operator of the CSG programme providing access to proven CSG expertise
- Continued extended production testing operations on Flax field with a 12% increase in output over last quarter, bringing total production to date in excess of 100,000 bbls
- Creation of available cash reserves to enable INP to focus on business growth through targeted asset acquisition
- Engagement of independent consultants to undertake a strategic review of INPs assets (refer ASX Release – Innamincka Asset Review Update - dated 29 April 2009 for details of key review outcomes)

Details of the main activities carried out are given below.

Farmout Agreement with AGL

On 20th January 2009, it was announced that INP and AGL had entered into a farmout agreement whereby AGL would acquire a 37.5% participating interest in PEL 103 (including the Aspen block) along with a 35% participating interest in PEL 101.

AGL will operate the evaluation of the coal seam gas assets. INP will retain Operatorship of the other activities.

From INP's perspective, the deal validates the company's positive view of the CSG project and the potential of a broader gas accumulation project with INP's conventional gas assets.

The associated injection of \$15m cash plus a carry of \$5m of INP's future exploration and appraisal costs places INP in the strong financial position of having no borrowings and no need to raise funds in the current environment.

Additional strategic benefits arise with AGL's experience in the CSG sector, along with associated access to necessary markets and supply infrastructure. As part of the arrangement INP has signed a gas marketing agreement with AGL giving INP the opportunity to achieve market prices for its share of any gas produced.

CSG Project

The initial scoping review last quarter recognised the potential for a coal seam gas resource with potential for up to 1tcf. Following the equity interest taken up by AGL, three coal seam gas core holes have been proposed in order to provide additional information on extent of the coal resource, coal thickness, gas content and productivity. Preparations for this drilling phase, including environmental and cultural assessments, were undertaken during the quarter. Drilling will be undertaken in the upcoming months.

PEL 103 including PRL's 14, 17 & 18 (37.5% Innamincka)

PEL 103 was partially relinquished in accordance with PIRSA regulation and agreement. PRL's 17 and 18 were awarded on the 28th January 2009 and along with PRL14 provide the JV with secure tenure over the Flax, Juniper and Yarrow discoveries, and the PEL 103 Innamincka Dome CSG potential.

Production Operations

Production testing of the Flax Field from Flax 1, 2, 3, 4 and 6 continued throughout the quarter.

Production for the quarter was 14950 barrels of oil an increase of 12% compared to the previous quarter. Average production rate was 166 bopd. Production uptime was impacted in January and early February by local rains, however continuous production has been achieved since then. Previous transport problems have been resolved.

Field development activities progressed as follows

- Flowline construction and tie-in of Flax 5 was completed and the well brought on-line in January 2009
- Construction and commissioning of Stage One of Flax Field Processing Facility was completed.
- Construction associated with Stage Two, installation of gas compression and reinjection was suspended in March 2009 pending a review of reservoir performance to date and in light of the delay in construction and subsequent termination of supply of the gas compressor.

Given current production levels, coupled with the current oil price, INP has been assessing the immediate future direction of the field. It currently appears that there is likely to be an economic case to shut the field in for the near future.

This will enable the remaining facilities completion activities to progress and, pending finalisation of a series of studies and modelling activities that utilise the historical production data, production of an optimised field development plan.

Farmout Blocks within PEL 103

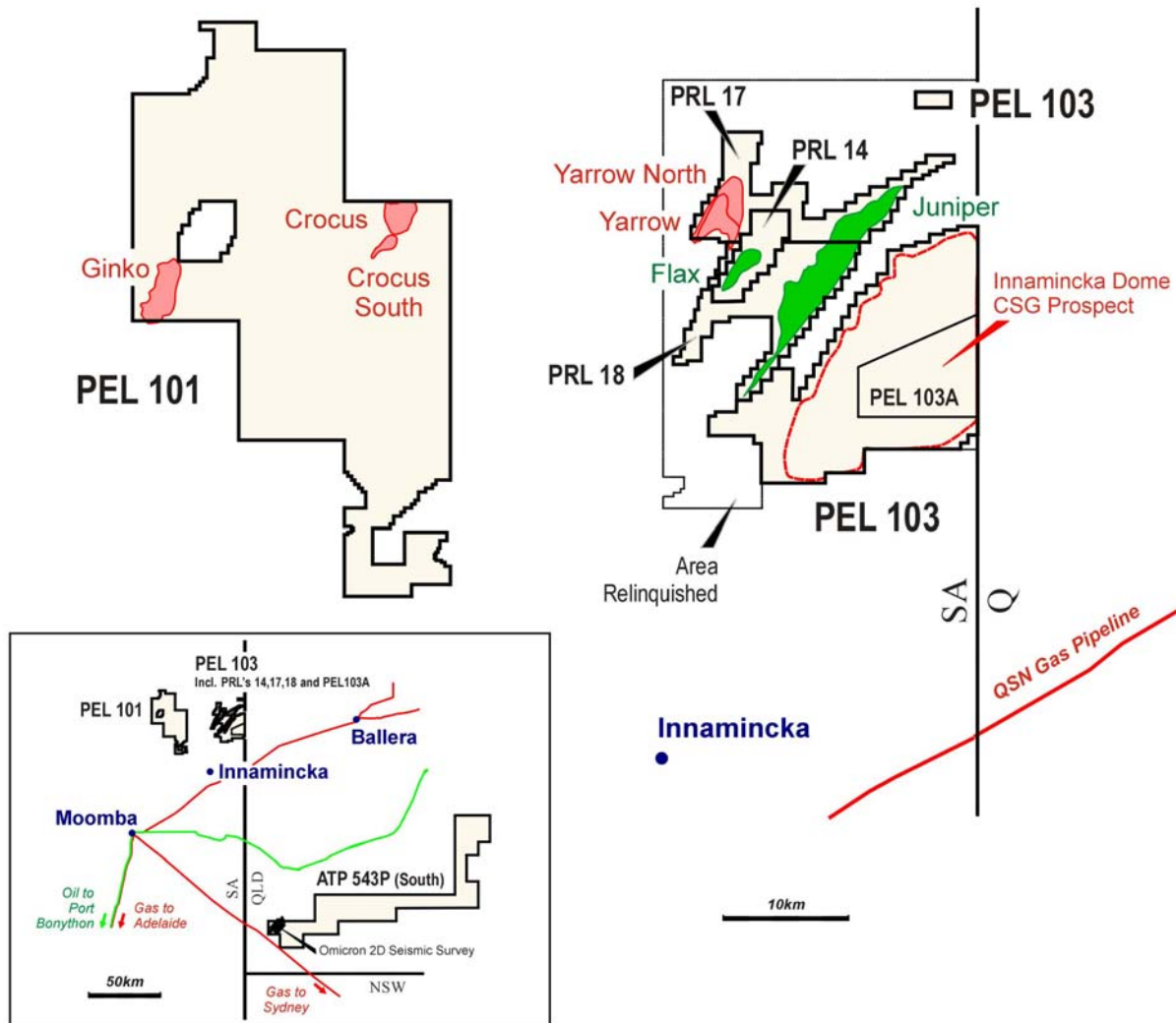
Aspen Block (37.5% Innamincka)

The block covers part of the broadly defined Innamincka Dome coal seam gas prospect. Two core holes will be drilled in the Aspen Block as part of the three-well coal seam gas programme. Field activity during the quarter included environmental and cultural assessments.

Candra South Block

Under the farmin agreement Avery Resources were required to contribute to the funding of two exploration wells to earn a 25% working interest in the Candra South Block. The period for completion of those obligations lapsed without the second well being drilled. The Joint Venture resolved the Candra South Block farmin not to be completed and accordingly participation interests for that area returned to the core PEL103 Joint Venture.

The majority of the area covered by the South Candra Block was relinquished as part of the end of term PEL 103 renewal process.



PEL 101 (25% Innamincka)

Geotechnical work was undertaken during the quarter to further define the prospect and lead inventory.

No field activity was conducted during the reporting period.

ATP 543P South (50% Innamincka)

Processing of the 131 km 2D seismic survey over the Omicron prospect area continued through the quarter. The survey is pursuing an oil accumulation on the Omicron anticline along the eastern edge of the Cooper Basin. It is anticipated that processing and interpretation of the survey data will be completed during the next quarter.

The joint venture is awaiting a response from the Queensland Department of Mines and Energy in regard to its application for a new permit term. If granted, it is anticipated that the permit will take effect as at 31 January 2009.

Forward Program

Planned activities for the next quarter are:

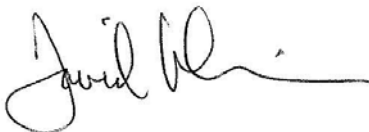
- to continue pre-drill activities on the CSG drilling programme in PEL103.
- to continue to evaluate performance of the Flax field;
- to undertake static geological modeling and dynamic reservoir simulation activities on the Flax Field to produce an optimised Field Development Plan
- to interpret the Omicron seismic survey in ATP 543P South;
- to look for additional new venture and growth opportunities

Corporate

INP securities were placed in a trading halt / state of voluntary suspension for the period 8th to 20th January whilst farmin arrangements with AGL were finalised.

On the 30th March INP announced that Ross Wecker, a founding director of Innamincka Petroleum, was retiring as Managing Director of the company.

Mr David Kinsman who had been the company's Chief Financial Officer was appointed Chief Executive Officer.



David Kinsman
Chief Executive Officer