
ANNOUNCEMENT TO ASX

Date: 28 September 2004

To: Australian Stock Exchange Limited
Companies Announcement Office
Electronic Lodgment System

Dear Sir

Willowie 1 Prospect

Innamincka Petroleum Limited (INP), as operator for the PEL 103 Joint Venture, wishes to advise the Willowie 1 exploration well has been plugged and abandoned, having extended the petroleum fairway beyond the Flax field.

The Willowie Prospect is a fault structure, 5 km south of the Flax oil and gas field. The exploration well, Willowie 1 tested the prospect at a downflank location. Drill shows, wireline log evaluation and sidewall cores indicated:

- gas saturation in several sandstones with a combined thickness of approximately 5 metres in the Patchawarra Formation
- good live oil shows (60-100% bright fluorescence) in two sandstones (each 2 metres thick) in the basal Patchawarra Formation and the upper Tirrawarra Sandstone

Due to hole conditions however, testing of these units was unsuccessful (5 attempts) in confirming hydrocarbon saturation and demonstrating productivity.

Whilst the option of casing and suspending the well was considered, the limited reservoir thickness at this particular location and untested productivity led to the commercial decision to plug and abandon Willowie 1.

On a broader scale, the Willowie results have shown extension of hydrocarbon charge into the area and suggests the potential for substantial hydrocarbon accumulations in both the Patchawarra Formation and the Tirrawarra Sandstone in the now-established Yarrow-Flax-Willowie play fairway.

Moving forward, the Joint Venture will next drill the Juniper 1 exploration well (anticipated commencing 4 October) and acquire a 3D seismic survey over the Flax-Willowie area to assist in defining optimal appraisal and development well locations.

Participants in the PEL 103 Block Joint Venture are:

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|---|---|-----|
| • Innamincka Petroleum Limited (operator) | - | 35% |
| • Vernon E Falconer Australia Inc | - | 65% |

Yours sincerely
Innamincka Petroleum Limited



Leni Stanley
Company Secretary

