
ANNOUNCEMENT TO ASX

Date: 11 October 2004

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

Dear Sir

Juniper 1 Drilling

Innamincka Petroleum Limited (INP), as operator for the PEL 103 Joint Venture, wishes to advise the Juniper 1 exploration well has commenced.

Juniper 1 spudded on Monday 4 October and is forecast to take 23 days to complete. The well is located 6 km east of the Flax 1 oil and gas discovery well and is prognosed to reach a total depth of 2755 metres.

The Juniper Prospect is a lowside fault play along the western side of the Innamincka High. Mapped closure at the Permian target level is in excess of 16 km². The primary targets and their associated hydrocarbon potentials are the Patchawarra Formation with 63 bcf gas in place and the Tirrawarra Sandstone with 33 mmbbls oil in place.

Flax Production Testing Update

The Flax 1 well continues to flow 180 to 210 barrels oil per day on a 20/64 inch choke. Total production to date is about 8000 barrels. This week, it is planned to shut the well in for a pressure buildup phase and then to reopen the well on a larger choke size and higher flow rate for a further flow period. The objective of the testing program is to better understand the reservoir capability and hence optimise future development plans. This work has been delayed over three weeks due to equipment unavailability.

Future Drilling

A temporary break (approx one month) in the drilling programme is being taken after Juniper 1 to allow for preparation of future drill locations.

Participants in the PEL 103 Block Joint Venture are:

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

Yours sincerely
Innamincka Petroleum Limited



Leni Stanley
Company Secretary