
ANNOUNCEMENT TO ASX

Date: 20 October 2004
To: Australian Stock Exchange Limited
Companies Announcement Office
Electronic Lodgment System

Dear Sir

JUNIPER 1

NEW OIL DISCOVERY

Innamincka Petroleum Limited ("INP") as Operator, for and on behalf of the PEL 103 Joint Venture, is pleased to report that the Juniper 1 exploration well has made a significant oil discovery in the upper primary objective Patchawarra Formation.

A drill stem test (DST 2) in the Patchawarra Formation conducted across the interval 2610 to 2633 m recovered 10 bbls of 47°API oil accompanied by gas at a rate of 0.12 mmcf/d. This oil flow equates to a daily rate of 60 bopd.

The Juniper Prospect is a lowside fault play along the western side of the Innamincka High. Mapped closure at the Permian target levels is in excess of 16 km² (4000 acres).

A preliminary estimate of this new discovery using currently inferred productive sand thickness and the 8 km² (2000 acres) of mapped updip closure is 12 million bbls oil in place. Following completion of drilling and logging operations, analysis of wireline log and pressure data will be undertaken to provide a firmer resource estimate and confirm the potential for commercial development.

Drilling operations will now continue to evaluate the deeper primary objective Tirrawarra Sandstone which flowed oil in the Flax 1 exploration well, 6 km to the west.

Participants in the PEL 103 Joint Venture is:

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| • Innamincka Petroleum Limited (Operator) | 35% |
| • Vernon E Faulconer Australia Inc | 65% |

Yours sincerely
Innamincka Petroleum Limited



Leni Stanley
Company Secretary