



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

ANNOUNCEMENT TO ASX

Date: 6 December 2004

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

Dear Sir

Status of Field Activities
PEL 103 South Australia

Innamincka Petroleum Limited ("INP") as Operator, for and on behalf of the PEL 103 Joint Venture, wishes to advise ODE Rig #5 has arrived at the **Yarrow 1** well location and is preparing to run production tubing prior to a two week production test of the Tirrawarra Sandstone and the underlying Merrimelia Formation. The initial drill stem test of the Tirrawarra Sandstone at Yarrow 1 flowed gas at 3.8 mmcf/d with associated gas liquids. The production test is designed to provide additional gas compositional data, particularly gas liquids content, and to evaluate longer term reservoir deliverability.

In early January 2005, it is anticipated ODE Rig #5 will complete **Juniper 1** for a series of cased hole drill stem tests. The oil-bearing Toolachee, basal Patchawarra and Tirrawarra sandstones will be tested individually to provide more definitive information on reservoir fluid content and composition together with reservoir productivity. The mid-Patchawarra sandstones interpreted as gas-saturated, may also be tested. This program is expected to take approximately 10 days.

The pressure buildup phase of the **Flax 1** production test is continuing. Planning for stimulation of Flax 1 has commenced with the field operation likely in the first quarter 2005, subject to availability of service personnel and equipment. Flax 1 was producing at 170-230 bopd (unstimulated) prior to the well shutin for pressure buildup. This production rate is expected to be significantly increased by the stimulation treatment.

The current drilling program with ODE Rig 30 has been paused to allow performance and other information from the above appraisal/development activities to be assessed and incorporated in the planning of future drilling. It is scheduled INP will recommence drilling activities in late March/April 2005 with the initial wells on projects likely to produce early cashflow.

Participants in the PEL 103 Joint Venture are:

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

Yours sincerely
Innamincka Petroleum Limited

Leni Stanley
Company Secretary