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ANNOUNCEMENT TO ASX

Date: 10 June 2005

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

Dear Sir

JUNIPER 2 WELL COMPLETED

AND

ACTIVITIES UPDATE

Innamincka Petroleum Limited is pleased to advise the Juniper 2 Appraisal Well has been cased as a future oil producer.

As reported, Juniper 2 encountered oil bearing sandstones within the lower Patchawarra Formation and upper Tirrawarra Sandstone interval. Preliminary wireline log evaluation indicates approximately 5 metres of oil pay. The cores from this interval are being analysed at present and will provide detailed evaluation of the reservoir sandstones.

After Juniper 2 the rig is moving to drill Flax 2. Flax 2 is located 930 metres to the southwest of the Flax 1 discovery well and will be drilled to evaluate both the Patchawarra Formation and Tirrawarra Sandstone reservoirs, both of which were productive in the Flax 1 well. As with Juniper 2 the target intervals will be cored to provide rock samples for estimating hydrocarbon saturation and for measuring rock properties for future reservoir stimulation. No open-hole drill stem tests are planned in order to reduce the risk of formation damage and to provide optimal reservoir conditions for future stimulation. Flax 2 is expected to commence drilling around 15 June and is programmed to take 23 days to drill.

In regard to forward production operations, mobilisation of the fracture stimulation equipment from operations with Santos will be occurring this weekend. Fracture stimulation of Flax 1 is expected to be undertaken in the middle of next week. The Flax 1 discovery well was completed as a Tirrawarra Sandstone oil well and underwent production testing in the 4th quarter of 2004. The test results were used in designing the optimal fracture stimulation programme.

The exact scheduling of the above operations will be subject to availability of transportation and weather conditions, however no major delays are expected.

Participants in the PEL 103 Joint Venture are:

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

Yours sincerely

Innamincka Petroleum Limited

A handwritten signature in cursive script that reads "Leni Stanley".

Leni Stanley
Company Secretary