
ANNOUNCEMENT TO ASX

Date: 19 July 2005

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

Dear Sir

PEL 101, Cooper Basin SA
Farmin by Mid Continent Equipment (Australia) Pty Ltd

Innamincka Petroleum Limited ("INP"), on behalf of the PEL 101 Joint Venture, is pleased to advise that it has entered into a Farmin Agreement with Mid Continent Equipment (Australia) Pty Ltd ("MCEA") whereby MCEA will earn a 25% participating interest in PEL 101 by contributing towards the cost of the upcoming field program.

PEL 101 is located in the northwestern part of the Cooper Basin and is considered to have good gas potential within the Cooper Basin section as evidenced by the number of surrounding gas fields. In addition, the permit offers some oil potential in the Eromanga Basin section with the Cuttapirie oilfield along the northern permit boundary being the closest field.

The first field activity will be the drilling of Ginko 1, an exploration well in the southwestern part of the permit. The well is due to commence later this month. A seismic survey over the Kapok structural culmination is planned for acquisition in August-September this year.

INP is pleased to welcome MCEA into the permit joint venture. Upon completion of its earning obligations, the respective participating interests will be as below:

Participants in the PEL 101 Joint Venture after farmin:

- | | |
|---|-------|
| • Innamincka Petroleum Limited (Operator) | 37.5% |
| • Vernon E Faulconer Australia Inc | 37.5% |
| • Mid Continent Equipment (Australia) Pty Ltd | 25.0% |

Yours sincerely
Innamincka Petroleum Limited



Leni Stanley
Company Secretary
