
ANNOUNCEMENT TO ASX

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

Flax- Juniper Complex - The Next Stage
Flax 1 Fracture Stimulation

Innamincka Petroleum is pleased to advise that the next stage towards the economic development of the Flax-Juniper Complex is well underway with the fracture stimulation of the Tirrawarra Sandstone at Flax-1.

A fracture stimulation was successfully performed on the Tirrawarra reservoir in late June, with 72,000 lbs of proppant emplaced in the oil-bearing sandstone reservoir extending up to 100 metres from the wellbore. The well continues to clean up and stabilise from the treatment. Currently, the well is on a 1/4 inch choke and flowing at over 320 bpd oil, 25 bpd fracture stimulation fluid and upto 0.6 mmcf/d gas with an average wellhead pressure of 950 psi. Performance will be closely monitored as cleanup continues and the operating parameters for ongoing production are determined. This progress result is a very positive step.

The fracture stimulation technique has been a standard approach for production enhancement of the Permian reservoirs in the Cooper Basin, the most successful oil development being in the Tirrawarra Field during the 1980's and 1990's. This field has produced over 27 million barrels of oil to date. The Flax-Juniper Complex has similar reservoir characteristics and is expected to be amenable to current production enhancement techniques.

Innamincka Petroleum will continue to evaluate and develop this project area, and is greatly encouraged by results from the fracture stimulation, testing and core results, and other key information from the four wells drilled to date into the Flax -Juniper Complex.

Yours sincerely
Innamincka Petroleum Limited



Leni Stanley
Company Secretary