
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of the shareholders of Innamincka Petroleum Limited (**Company**) will be held at The Domain Theatre, Art Gallery of New South Wales, Art Gallery Road, The Domain, Sydney at 10.00am on Friday, 11 November 2005.

AGENDA

Ordinary Business

1 Annual financial report and directors' and auditor's reports

To receive and consider the annual financial report of the Company for the year ended 30 June 2005, together with the directors' report and auditor's report.

2 Adoption of remuneration report

To consider, and if thought fit, pass the following advisory only resolution:

"That the remuneration report for the year ended 30 June 2005 be adopted."

3 Re-election of Director - Mr Adam Johnson

To consider, and if thought fit, pass the following as an ordinary resolution:

"That Mr Adam Johnson, a Director retiring by rotation in accordance with the Company's constitution, be re-elected as a Director of the Company."

4 Appointment of Auditors

To consider, and if thought fit, pass the following as an ordinary resolution:

"That PricewaterhouseCoopers be hereby appointed Auditors of the Company."

Special Business

5 Approval of Employee Share Option Plan

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That the issue of options for the acquisition of fully paid ordinary shares in the capital of the Company under an Employee Share Option Plan, the terms and conditions of which are summarised in the Explanatory Memorandum accompanying the notice of meeting, is approved."

The above resolution has been proposed in order to satisfy the requirements of exception 9 of ASX Listing Rule 7.2.

Voting exclusion statement

The Company will disregard any votes cast on resolution 5 by:

- any director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the company); and
- an associate of that director.

However, the Company need not disregard a vote if :

- it is cast by a person as proxy for a person entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy directs.

Explanatory Memorandum

Attached to and forming part of this notice of meeting is an Explanatory Memorandum, which provides shareholders with background information and further details on the resolutions to be considered at the meeting. The information provided is intended to assist shareholders in understanding the reasons for and the effect of the resolutions, if passed. Information is also presented in accordance with the requirements of the Corporations Act 2001 and the ASX Listing Rules.

Any terms used in this notice of meeting have the meaning given to them in the Explanatory Memorandum.

Proxies

A member entitled to attend and vote at the meeting is entitled to appoint another person as the member's proxy to attend and vote for the member at the meeting. A proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint up to two proxies and may specify the proportion or number of votes that the proxy may exercise. If no such specification is given and two proxies are appointed, each may exercise half of the votes to which that member is entitled.

The proxy form must be signed by the member or the member's attorney, duly authorised in writing. Proxies by a company must be executed in accordance with its constitution.

To be valid, the signed proxy form (together with an original or certified copy of the power of attorney - if applicable) must be:

- delivered by post to Computershare Investor Services Pty Ltd, GPO Box 4195, Sydney, New South Wales 2001; or
- sent by facsimile to Computershare Investor Services Pty Ltd on (03) 9473 2118; or
- lodged with the Company at its registered office at c/- Stanley Yeates & Associates, Level 1, 101 Edward Street, Brisbane, Queensland 4000,

so as to be received by 10.00 am on Wednesday, 9 November 2005, being not less than 48 hours before the time for holding the meeting.

A proxy form accompanies this Notice of Meeting.

Voting entitlements

The time for determining voting entitlements for the meeting will be 7.00 pm on Wednesday, 9 November 2005.

By Order of the Board

Leni Stanley
Company Secretary
5 October 2005

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

This Explanatory Memorandum accompanies the notice of meeting for the annual general meeting of Innamincka Petroleum Limited (**Company**) to be held on Friday 11 November 2005.

Information relevant to the business to be considered at the annual general meeting is provided in this Explanatory Memorandum and shareholders should read this document in full.

Definitions

In this Explanatory Memorandum the following terms have these meanings:

ASX means the stock exchange operated by Australian Stock Exchange Limited.

Board means the board of Directors of the Company.

Company means Innamincka Petroleum Limited (ABN 11 101 313 777).

Director means a director of the Company.

Explanatory Memorandum means this memorandum.

Listing Rules means the listing rules of Australian Stock Exchange Limited.

Ordinary business

Item 2: Adoption of remuneration report

Innamincka's Remuneration Report contains the details of the policies, structure and remuneration of directors and senior executives.

The Remuneration Report is contained in pages 18 to 19 of Innamincka's Annual Report. Adoption of the Remuneration Report is a non-binding advisory vote, pursuant to section 250R of the Corporations Act. Nevertheless, the outcome of the vote will be taken into account by the Board when reviewing and setting remuneration policies for Innamincka.

The Directors unanimously recommend that shareholders vote in favour of resolution 2.

Items 3: Re-election of Director

In accordance with clause 3.6 of the Company's constitution, Mr Johnson will retire at the annual general meeting and being eligible, offer himself for re-election.

3.1 Biography

Mr Adam Johnson, BA, LLB, MBA. Mr Johnson has been the Chairman of the Company for 3 years and is also Chairman of the Remuneration Committee and a member of the Audit Committee. Mr Johnson graduated from the Australian National University with Degrees in Arts and Law and was employed at Freehill, Hollingdale & Page where he was involved in preparation of prospectuses and related financial transactions. He later graduated from the University of Virginia with a Masters Degree in Business Administration and in 1980 he established a legal practice in his own right and continues to do so.

3.2 Directors' recommendation

Mr Michael Brown, Mr David McEvoy and Mr Ross Wecker, Directors of Innamincka, recommend that shareholders vote in favour of resolution 3 (re-election of Mr Johnson as Director).

Item 4: Appointment of Auditors

Approval is sought for the appointment of PricewaterhouseCoopers as Auditors of the Company.

Special business

Item 5: Approval of Employee Share Option Plan

5.1 Overview

The Company wishes to establish an Employee Share Option Plan (**Plan**) under which employees and contractors may be invited to participate in the Plan to be issued with options by the board, which may then be exercised to acquire ordinary shares in the capital of the Company.

5.2 Regulatory requirements

Approval for the issue of options under the Plan is sought by way of an ordinary resolution to satisfy the requirements of Listing Rule 7.2, exception 9. Listing Rule 7.2 is an exception to the requirement in Listing Rule 7.1 that the Company not issue equity securities in any 12 month period that amount to more than 15% of its ordinary securities.

5.3 Background and Implementation

Innamincka has now been operating as a public company for nearly two years. In that period the Company has had encouraging exploration success and is now entering into development activities, as well as continuing active exploration.

Success in these activities is highly dependent upon a small, experienced and highly motivated employee team. There is also currently a highly competitive market for experienced people in the Australian petroleum industry. In order to round out the remuneration package of the company's senior executives and to enable staff to participate more directly in the future growth of the company, the company proposes to introduce this Employee Share Option Plan under which a limited number of share options would be issued to selected employees. Where appropriate, the Company may also issue options as part of their remuneration to individual contractors who provide contractual services to the Company.

To provide shareholders with further insight into the planned application of the Plan, it is anticipated that the first issue of options under the Plan will occur in this financial year. The Company expects that the following key financial terms will be applied to the first issue of options:

- Exercise Price: The then current share price of the Company, plus 5%;
- Exercise Period: One third of each grant of options will be exercisable after two years, one third after three years, and one third after four years, with all options having to be exercised within five years of their date of grant.

The intent of the exercise price terms is to allow the optionholders to share, with shareholders, any growth in the share price beyond a reasonable threshold, that is, 5% above the price at the time of option issue. The Company does not consider that a meaningful comparative market hurdle is available for a company of Innamincka's status at this time. The exercise periods selected have been structured to allow employees to look forward to a reasonable mix of relative short term benefits (say, after two years), but also to encourage them to stay with the company to gain benefits over a longer period (three and four years).

Full details of all options issued and outstanding in each financial year are disclosed in the Remuneration Report in the respective Annual Report.

Note that no options are planned at this time to be issued to the Managing Director, Mr Ross Wecker, with any such grant at a future time being conditional, of course, on shareholder approval. Mr Wecker, as detailed in the Annual Report, holds options in the Company as a result of his participation in the initial founding of the company.

5.4 Regulatory information

Below is a summary of the structural terms of the Plan. This information is provided for the benefit of shareholders and in accordance with the requirements outlined in section 7.2. As the Plan is a new plan, no options have been issued pursuant to the Plan thus far.

(a) Operation of Plan

At the discretion of the Board options are to be issued under the Plan either free or for a nominal consideration. The company may either issue new shares or buy shares on the market in order to satisfy its obligations to issue shares. Executive Directors may be participants in the Plan. Non-executive Directors are not eligible to participate in the Plan.

To determine who is eligible to participate in the plan, the Board may consider, amongst other things, the position held by the employee or contractor, their length of service and the contribution made to the Company.

Each Option entitles the holder to subscribe for, and be issued, one fully paid share.

The number of options to be issued under the plan shall not exceed 5% of the Company's issued capital.

The exercise price of a share to be issued on the exercise of an option will be the price as determined by the Board at the date of granting of the option.

The exercise period for the options will be determined by the Board at the time of issue. Options will lapse if not exercised after five years from vesting or where an employee has acted fraudulently, dishonestly or in breach of their duty to the Company. Options will lapse upon the cessation of the employee's employment, however the Board has a discretion to extend the period within which the options may be exercised if warranted by the circumstances.

A Participant may also exercise their options in the Plan in the event of a takeover, scheme of arrangement or change of control in respect of the Company.

A Participant may not dispose of, transfer, charge or encumber Plan options unless determined otherwise by the Board.

Although an option holder may also transfer the options to a bidder during a takeover period.

The options do not entitle the holders to participate in rights issues or bonus issues.

(b) Administration of Plan

The Board may make regulations for the operation of the Plan.

(c) Termination or suspension of Plan

The Company may terminate or suspend the operation of the Plan at any time by resolution of the Board.

In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any options, the rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

5.5 Directors' recommendation

As Mr Ross Wecker, the Managing Director has an interest in the outcome of resolution 5, he does not consider it appropriate to make a recommendation with respect to this resolution. Mr Michael Brown, Mr Adam Johnson and Mr David McEvoy (non-executive Directors) recommend that shareholders vote in favour of resolution 5.

5.6 Restrictions on voting for the executive Director

In accordance with the Voting Exclusion Statement, the Company will disregard votes cast by Mr Ross Wecker, the Managing Director of the Company and his associates in relation to resolution 5.



All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 7045 Sydney
New South Wales 2001 Australia
Enquiries (within Australia) 1300 855 080
(outside Australia) 61 3 9415 4000
Facsimile 61 2 8234 5050
www.computershare.com

Name: _____

Address: _____

Appointment of Proxy

I/We being a member/s of Innamincka Petroleum Limited and entitled to attend and vote hereby appoint



the Chairman
of the Meeting
(mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Innamincka Petroleum Limited to be held at The Domain Theatre, Art Gallery of NSW, Art Gallery Rd, The Domain, Sydney on Friday 11 November 2005 at 10.00 am and at any adjournment of that meeting.

IMPORTANT: FOR ITEM 5 BELOW



If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Item 5 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 5 if he has an interest in the outcome of that Item and if so your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 5.

Voting directions to your proxy - please mark to indicate your directions

- 2 Adoption of remuneration report
- 3 Re-election of Director - Mr Adam Johnson
- 4 Appointment of Auditors
- 5 Approval of Employee Share Option Plan

| For | Against | Abstain* |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of the other item of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /



How to complete this Proxy Form

1 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

2 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

3 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

4 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 10.00 am on Friday 11 November 2005. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

| | |
|-----------|---|
| IN PERSON | Registered Office - c/- Stanley Yeates and Associates, Level 1, 101 Edward Street, Brisbane QLD 4000 Australia Share Registry - Computershare Investor Services Pty Limited, Level 2, 60 Carrington Street, Sydney NSW 2000 Australia |
| BY MAIL | Share Registry - Computershare Investor Services Pty Limited, GPO Box 4195, Sydney NSW 2001 Australia |
| BY FAX | 61 3 9473 2118 |