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ANNOUNCEMENT TO ASX

Date: 3 November 2005
To: Australian Stock Exchange Limited
Companies Announcement Office
Electronic Lodgment System

Dear Sir

ASPEN 1 **Exploration Well to Spud**

Innamincka Petroleum Limited ("INP") as Operator, for and on behalf of the Aspen Block Joint Venture (within PEL 103), advises the Aspen 1 exploration well is expected to spud on 9th November 2005. The well is located approximately 8 km northeast of the Cummin 1 well drilled in early 2004. Aspen 1 is prognosed to reach a total depth of 2127 metres with the operation taking 18 days.

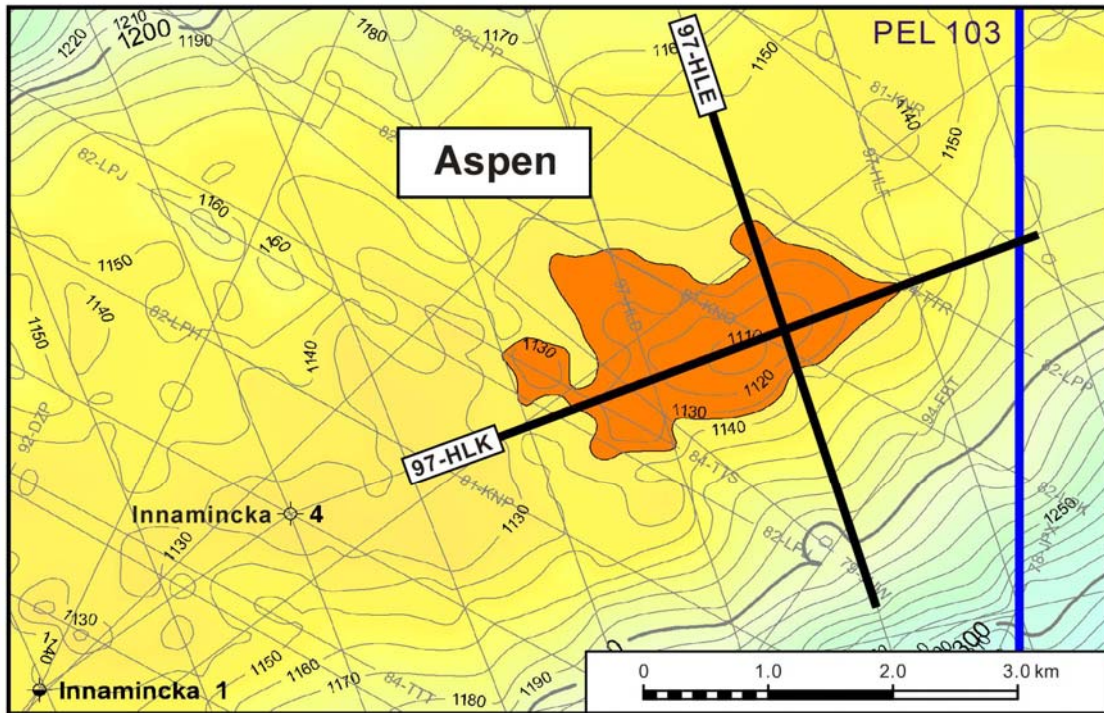
Aspen 1 will be the first well drilled under the recent farmin agreements with Avery Resources (Australia) Pty Ltd. Avery will contribute to the funding of the well to earn a 25% interest in the Aspen farmout block.

Location

The Aspen prospect is an anticlinal structure developed on the broad Innamincka High, the largest structural culmination in the Cooper and Eromanga Basins. The Innamincka High, encompassing a number of smaller anticlinal structures, forms the fulcrum between the two most prolific hydrocarbon-producing ridges in the basins, the GMI ridge in South Australia and the JNP ridge in Queensland. Many of the major petroleum fields eg Gidgealpa, Merrimelia, Challum and Jackson, are located on the ridges. These ridges, including the Innamincka High, have long been focussing mechanisms for the oil and gas migrating out of the bounding source kitchens of the Nappamerri and Patchawarra Troughs.

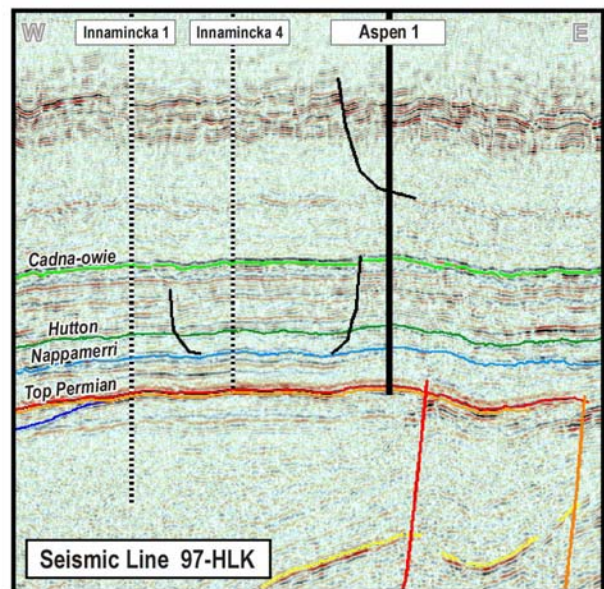
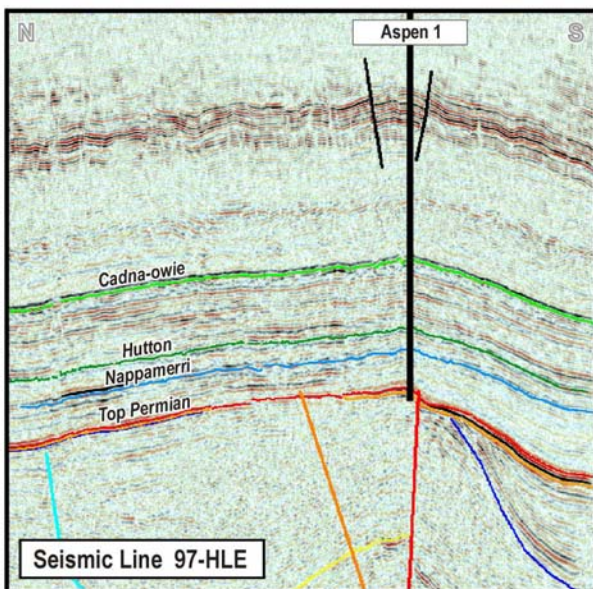
Past Exploration

Only three wells have to date explored for a crestal hydrocarbon accumulation on the Innamincka High. Two of these wells, Innamincka 3 and Innamincka 4 were drilled in the early 1980's and, whilst encouraging oil shows were reported from the early Jurassic and Triassic sandstones, both wells failed to intersect an economic oil accumulation. Seismic investigations in the 1990's suggested the laterite surface distorted the near-surface velocity field such that time structure mapping may have erroneously displaced the indicated structural crest of the tested anticline from its true location. The third well, Cummin 1, was drilled in 2004. Once again, very encouraging oil shows were reported throughout the basal Eromanga section and a small oil recovery was made upon drill stem test of a Triassic sandstone. This result may also be interpreted to imply the well was drilled down-structure on the Cummin Anticline. A review of the seismic data in the region suggests this interpretation is quite feasible. Importantly, the mapped time structure forming the Aspen prospect appears coincident with the depth structure mapping, supporting Aspen 1 to be a valid crestal test.



The Aspen Prospect

The primary target interval for Aspen 1 includes the Hutton Sandstone, Poolowanna Formation and sandstone units within the Triassic section. Fair to excellent reservoir properties (porosity and permeability) are expected to prevail in these sandstones. Effective hydrocarbon charge is considered the main risk. The trap is defined as an anticlinal closure covering an area of 4.4 km² with a maximum vertical relief of 28 metres. The hydrocarbon potential of the prospect is estimated at 17 million barrels oil in place.



The seismic lines over the Aspen Prospect indicate the feature was developed by fault movements in the Permian and Triassic. The Hutton Sandstone and sandstones in the Nappamerri section are in the primary target interval.

Joint Venture participants in the Aspen Block within PEL 103 are: (...) post-farmin

- Innamincka Petroleum Limited (Operator) 35% (26.25%)
- Vernon E Faulconer Australia Inc 65% (48.75%)
- (Avery Resources (Australia) Pty Ltd earning 25% in the Aspen Block)

Yours sincerely

Innamincka Petroleum Limited

A handwritten signature in cursive script that reads "Leni Stanley". The signature is written in black ink and is positioned above the printed name and title.

Leni Stanley
Company Secretary