



INNAMINCKA
PETROLEUM
ACN 101 313 777

Office 1 - Ground Floor
924 Gympie Road
CHERMSIDE QLD 4032

PO Box 2378
CHERMSIDE QLD 4032
Telephone: (07) 3359 8988
Facsimile: (07) 3359 8985
www.innapet.com.au

ANNOUNCEMENT TO ASX

Date: 31 March 2006

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

Dear Sir

Flax Oilfield Update

With ongoing production from the Flax 1 well continuing to provide favourable results, Innamincka Petroleum has commissioned an updated field reserves estimate.

Upon initial review, the Independent Expert has advised :

"In the light of these results, an increase in average field recovery is likely. Accordingly, the Flax Oilfield has the potential to contain reserves of 4million or more barrels of recoverable oil."

Installation and development of the first production pattern for the Flax Oilfield project is planned to start in mid 2006.

Participants in the PEL 103 Joint Venture :

- | | |
|---|-----|
| • Innamincka Petroleum Limited (Operator) | 35% |
| • Vernon E Faulconer Australia Inc | 65% |

Yours sincerely

Innamincka Petroleum Limited

Leni Stanley
Company Secretary
