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ANNOUNCEMENT TO ASX

Date: 20 December 2006

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

Dear Sir

Innamincka Completes Acquisition of PEL 103 Interest

Innamincka Petroleum Limited ("INP") is pleased to advise that the purchase of Vernon Faulconer Australia Incorporated's interest in PEL 103 has been completed. Innamincka is now the sole permit holder of PEL 103. Under its farmin agreement, Seoul City Gas ("SCG") will purchase a 25% interest for an up front payment of \$7 million in early 2007.

This event is a major milestone in the development of Innamincka as a substantial oil and gas production company.

The key positives arising from this event are:

- Innamincka will be the majority interest holder in the permit with 75% post-SCG farmin
- Innamincka will be able to largely control the pace and direction of appraisal / development
- SCG, a financially strong and progressive Korean company, will be a worthy joint venturer

Innamincka will be pushing ahead in early 2007 with the anticipated equity capital raising followed by the commencement of field activities.

Yours sincerely
Innamincka Petroleum Limited

Leni Stanley
Company Secretary