



**INNAMINCKA**  
PETROLEUM  
ACN 101 313 777

Office 1 - Ground Floor  
924 Gympie Road  
CHERMESIDE QLD 4032

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

---

# ANNOUNCEMENT TO ASX

---

**Date:** 28 May 2007

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

Dear Sir

## **Operation Update – Flax Oilfield**

The recent heavy rainfalls prevented road access and well site construction activity this week. The drilling contractor, Ensign, has advised that rig assembly operations are on track with the mobilisation to the Flax oilfield site commencing early June. Drilling is scheduled to begin by mid June.

The contract for the compressor unit, for the injection of produced gas back into the producing reservoir for enhanced oil recovery, has been finalised. The unit is scheduled for commissioning onsite in late September.

A review of the projects currently under investigation by the company was presented at the Excellence in Upstream Energy Conference held in Sydney this week. The presentation material is on the company website.

**The Flax Oilfield** has been independently assessed to contain mean recoverable reserves of more than 4 mmstb. To date, testing of the discovery Flax 1 well has produced over 45,000 barrels of 52<sup>o</sup> API oil and provided engineering data for the design of the first well pattern of the EOR (Enhanced Oil Recovery) project. The initial project target is 1000 bopd by mid 2008.

Participants in the project are:

|                       |     |
|-----------------------|-----|
| Innamincka (operator) | 75% |
| SCGAU                 | 25% |

Yours sincerely  
**Innamincka Petroleum Limited**

**Leni Stanley**  
Company Secretary