



INNAMINCKA
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ANNOUNCEMENT TO ASX

Date: 17 July 2007

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

Dear Sir

Operation Update – Flax Oilfield

Innamincka Petroleum advises the Flax 3 development well has reached a depth of 2022 metres at 06:00 hrs July 17. The well is on prognosis and currently drilling ahead to an anticipated total depth of 2810 metres.

The well spudded on 9th July and is located approximately 600 metres north of Flax 1. It will be followed by the drilling of the Flax 4 development well and Flax East 1 exploration well.

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^o 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