



INNAMINCKA
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ANNOUNCEMENT TO ASX

Date: 14 August 2007

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

Dear Sir

Operation Report - Flax Oilfield

Innamincka Petroleum advises the Flax 4 well was drilling ahead at a depth of 2431 metres at 0600 hours Tuesday morning. It is prognosed to reach the target Permian section in the next few days.

Daily updates of drilling progress are posted on the company website www.innapet.com.au

Fracture stimulation of the Tirrawarra Sandstone in Flax 2 has been undertaken and flowback operations are underway. The Tirrawarra Sandstone and basal Patchawarra sandstones in Flax 3 have been perforated in advance of fracture stimulation.

The Flax Oilfield has been independently assessed to contain mean recoverable reserves of more than 4 million barrels of oil. 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 barrels of oil per day by mid 2008.

Participants in the project are:

Innamincka (operator)	75%
SCGAU	25%

Yours sincerely

Innamincka Petroleum Limited

Leni Stanley
Company Secretary
