



INNAMINCKA
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ANNOUNCEMENT TO ASX

Date: 17 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 2732 metres at 0600 hrs August 17.

Mudlog descriptions indicate the well has penetrated well-developed sandstones within the basal Patchawarra Formation-Tirrawarra Sandstone interval and is presently drilling in the Merrimelia Formation. Excellent oil and gas shows were observed in association with these sandstones. These shows were comparable to those reported from the other Flax Oilfield wells.

Further details will be released next week following evaluation of the wireline logs.

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

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
