



INNAMINCKA
PETROLEUM
ACN 101 313 777

Office 1 - Ground Floor
924 Gympie Road
CHERMSIDE QLD 4032

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

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The Manager
Companies Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
Sydney NSW 2000

Capital Raising and Forward Program

Innamincka Petroleum Limited ("Innamincka") is pleased to present the forward program for development and exploration activities planned for the next 8 months.

To fund this program Innamincka has finalised the Placement of 21,367,521 shares at \$1.17 each via CommSec, raising a total of \$25 million of its \$30 million capital raising program. The first \$20 million of the Placement was underwritten by CommSec. The placement closed early and was heavily oversubscribed. The placement introduced fourteen new Institutions to the Innamincka share register.

The remaining \$5 million has been set aside for allotment to existing shareholders under a Share Purchase Plan ("SPP") at a price of \$1.17, being equal to the issue price of the placement. The SPP is specifically designed to reward existing shareholders and the record date has been set so as to allow participation by investors holding shares prior to this announcement of the Capital Raising and Forward Program and who have not fully participated in the Company's previous SPP. Full details of the SPP will be announced shortly. Investors who participated in the placement or are purchasing shares on the ASX upon resumption of trading will not be entitled to participate in the SPP.

Forward Program

Consequent to the Flax-Juniper field confirmation, Innamincka formulated a six well drilling and multi-well fracture stimulation program to be conducted by July 2008 to meet several objectives.

- two wells (Flax 5 & Flax 6) will be drilled and, if successful, fracture stimulated on the Flax field to further appraise the Flax reservoirs and increase oil production from Flax field;

- two wells (Juniper 3 & Juniper 4) will be drilled on the Juniper field, north and south of Juniper 1, and if successful, will be followed by fracture stimulation and production testing to begin to convert inplace oil resources to recoverable reserves and to commence initial oil production from the Juniper field;
- fracture stimulation and production testing of Juniper 1 and Flax East 1 wells to augment the objectives above;
- one well (Yarrow 3) to be drilled to test for a new oil accumulation below the Yarrow gasfield; and
- one well (Crocus 1 ST) to be drilled, followed by fracture stimulation and production testing to establish recoverable gas reserves on PEL101.

Tentative arrangements have been made with a drilling contractor to commence the program in early-mid December. Casing and tubular requirements for the program have been organized to meet this schedule. All other drilling services have also advised their availability. The fracture stimulation and well completion operations are planned to begin in March 2008 with the principal contractors advising their availability. Downhole equipment for the program has been identified and will be available for this operational timetable.

Concurrent with this program, independent assessors will be engaged to undertake an update of the recoverable reserves estimate for the Flax oilfield.

The above program will be funded by the placement already completed and the Share Purchase Plan announced today.

A handwritten signature in black ink, appearing to read "Ross Wecker". The signature is fluid and cursive, with a large initial "R" and "W".

Ross Wecker
Managing Director