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ASX ANNOUNCEMENT

CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL MEETING

I would like reflect on the achievements of the past year before I turn to an analysis of the future.

Since our last Annual General Meeting, we have:

- Acquired the majority interest in PEL103;
- Raised \$15 million for the PEL103 acquisition and funded the Phase 1 Flax Drilling Program;
- Drilled the successful Flax East exploration well together with the Flax 3 and 4 appraisal wells and associated fracing, yielding positive results in terms of additional oil in place and flow rates.
- Welcomed Santos as our new partner in the exploration for oil in ATP543P South;
- Raised an additional \$25 million for the current Flax development program and additional production and exploration activities, particularly in PEL 103.
- Positioned ourselves for potential opportunities in the Australian East Coast gas market.

The acquisition of the majority interest in PEL103, coupled with the introduction of Seoul City Gas into the PEL103 Joint Venture was a significant achievement. It allowed us to take hold of our future by pursuing the potential of the PEL103 block as the majority participant.

The acquisition of the interest was funded by raising \$15 million of equity. This allowed us to complete the Phase 1 Flax Drilling Program, the outcome of which was to extend the Flax oil field, increase the in-place oil providing further positive information on flow rates from this reservoir. Currently we are looking to initiate a new independent estimate of our Flax field reserves.

The last well drilled in that program was Flax East 1. The well was an important exploration well. It encountered 14.8 metres of net pay of which 10.2 metres were in the primary zone of interest. On the basis of information gathered from Flax East 1, we have lowered the lowest known oil to the point where the Flax and Juniper oil accumulations are connected and contain an estimated 120 million barrels of oil in place above the newest “lowest known oil”. This estimate is based on a combined area of 120 square km (derived from well and seismic data), an average net pay of 7 metres (being the average net pay in all Flax and Juniper wells drilled to date) and reservoir parameters averaged from existing wells. Because we have not encountered water the potential still exists for this “oil in place” number to be increased beyond 120 million barrels.

During the Phase 1 Flax Program, we also drilled Flax 3 and 4. These wells increased the oil in place in the Flax Field and our immediate priority is to progressively bring the field on stream. However this requires approval from Government Departments and cultural clearances from Aboriginal community groups and Heritage Authorities. We have had a delay in getting these approvals as we found that the company did not initially comply with all the necessary procedures. However this is being attended to and I expect these approvals will be forthcoming and permit more efficient cleanup and production testing of the Flax wells.

Turning to the future, our immediate priority is to progressively bring the Flax oil field into production. Commencing around January 2008, we will drill Flax 5 and 6. These are intended to be production wells. The knowledge gained from the initial Flax pattern should provide us with scientific information as well as revenue. Provided the scientific, technical and other information supports our plan, we will look towards either borrowing funds or considering project financing for other parts of the Flax field and program.

In the year ahead, another priority is to establish commercially recoverable reserves in the Juniper part of the Flax / Juniper complex. With this in mind, we propose drilling two further Juniper wells as well as fracking and flow testing as appropriate. The potential for an oil accumulation north of the Yarrow gas field is recognised and will be tested in the upcoming drilling program.

In the coming year, we will also be pursuing opportunities in the Australian east coast gas market. Innamincka will require gas for injection into the Flax oil field. It may be that the associated gas in PEL103 will need to be augmented and, for that reason, we will consider further gas exploration and appraisal in PEL 101 potentially bringing gas across from the PEL101 block where we own a 60% majority interest. This may result in surplus gas which we could sell into the east coast markets. Obviously, much work remains to be done, however, there is clear potential for a gas project based upon gas in PEL101 and the oil associated gas in PEL103.

In the year ahead, your company intends to build on the foundation provided by the Flax oil field. The plan is to use Flax oil production and associated infrastructure as a base. We intend to build on this base and incrementally demonstrate commercial producibility from Juniper and also test the potential oil accumulation north of the Yarrow gas field. At the same time we will pursue opportunities in the east coast gas market. This provides us with a good mix of projects ranging from the lower risk near term Flax oil field through to the high reward Juniper resource and the potential oil accumulation down dip of Yarrow

In my view, as we move forward the principal risks are:

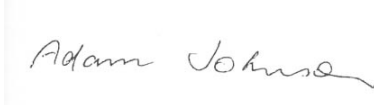
- The execution risk in bringing Flax and potentially Flax/Juniper into production;
- The risk related to recovery rates.

The execution risk can largely but not exclusively be managed by having experienced, capable people in charge of the projects, and in particular the Flax project. Your board and management is particularly aware of this risk and intends to ensure that experienced people who have successfully completed similar tasks in the past are employed to bring Flax properly into production.

So far as recovery rates are concerned, we are dependent on nature and the degree to which we can influence recovery through the application of modern science and technology. I was recently encouraged to learn that the Flax wells appear to be in pressure communication. In other words, pressure injection ought to work as it did in the analogous Tirrawarra Oil Field. I was also encouraged to see figures relating to the capacity for these wells to flow, particularly Flax 3. These facts are encouraging but only extended production and additional knowledge about reservoir characteristics will give us more conclusive answers.

Yours Faithfully

Innamincka Petroleum Limited

A handwritten signature in black ink that reads "Adam Johnson". The signature is written in a cursive style and is positioned above the typed name and title.

Adam Johnson

Chairman

28 November 2007