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# ANNOUNCEMENT TO ASX

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**Date:** 30 November 2007

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

Dear Sir

## **PEL 103 and PRL 14 Project Update**

Following the company Annual General Meeting, an update on the progress of the various aspects of the first half 2008 program is outlined below.

### **Drilling Program**

The drilling program consists of five wells in PEL 103/PRL 14 and one well in PEL 101.

Activity notifications for the drilling of the initial three wells (Flax 5, Flax 6 & Yarrow North 1), including environmental assessments, are in the process of submission to PIRSA. Cultural clearances and environmental surveys have been completed. Site preparations for the first well will be completed by early January subject to favourable local weather conditions. Drilling of the Flax 5 well is then scheduled to commence on 5<sup>th</sup> January utilising Ensign Rig 30.

Akin to the 2007 drilling program, Innamincka is pleased to be pursuing another oil play with the Yarrow North 1 exploration well.

Activity notifications for the drilling of the remaining three wells are scheduled to be submitted to PIRSA in January.

### **Completions and Fracture Stimulation Program**

The program is planned to be undertaken in two stages with the initial stage of three well completion and fracture stimulations commencing in March.

The initial operations are planned to be conducted on the Flax 5 and Flax 6 wells and also on the Flax East 1 well. Timing of the second round of operations will be integrated with the second phase of the drilling program.

### **Flax Operations (PRL 14)**

At present, the Flax 3 and Flax 4 wells are on cleanup flow, each producing between 100 and 150 barrels of oil per day. The Flax 2 well was found to have about 100 metres of frac sand buildup above the basal Patchawarra producing interval within the production tubing. This is currently

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limiting the oil flow from the well. Remedial action is planned for early 2008. The Flax 1 well is shutin awaiting connection to the field flowline system.

Environmental and cultural clearance surveys for the flowlines have been undertaken and activity notifications for the operation of the flowlines have been submitted to PIRSA. The company will use its best endeavours to have the flowlines operational during January at which time the additional oil contribution from Flax 1 will commence.

As advised at the Annual General Meeting, the supply of the field compressor for gas injection has been rescheduled to January after a manufacturer in the United States advised slippage in the provision of a key component.

### **Activity Schedule**

By comparison with the timetable indicated in the recent capital raising:

- The drilling program was planned to commence in mid December. For safety and logistical considerations, it has been decided to start in early January after the Christmas - New Year period.
- The oil gathering lines were previously forecast to be operational by December 2007. PIRSA requested resubmission of the activity notification application. The preparation of this document is anticipated to defer the startup to January 2008. The impact is the deferment of Flax 1 production for four to six weeks.
- The compressor was planned to be operational by December 2007. With the delay in component supply, compressor commissioning is forecast for February 2008.

The company remains confident it will achieve its target of 1000 bopd by mid 2008 even with these current short term delays.

Participants in the project are:

Innamincka (operator)	75%
SCGAU	25%

Yours sincerely

**Innamincka Petroleum Limited**



**Leni Stanley**

Company Secretary

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