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ANNOUNCEMENT TO ASX

Date: 7 August 2008

To: Australian Securities Exchange
Companies Announcement Office
Electronic Lodgment System

Dear Sir

Development Update on Flax Field

Further to the recent release on the Flax 1 operation, Innamincka Petroleum advises the status of the following development operations.

Flax 1

The well is currently producing about 300 bopd on an 18/64 inch choke. The first load out of oil to Moomba took place yesterday.

Flax 2

Workover operations are underway to clean out the sand plugging in the tubing string and to recomplete the well for production.

Flax 3

Well tie back to the Flax facility is underway.

Flax 4

Well tie back to the Flax facility is underway

Flax 5

Fracture stimulation of the Tirrawarra Sandstone interval and the basal Patchawarra sandstone interval has been successfully completed. Cleanup and flowback are underway. The well is currently shutin for a pressure buildup survey having initially flowed at average rates of approximately 300 barrels of oil per day and 700 barrels of water per day on a 22/64 inch choke from the combined interval.

Flax 6

The well has been completed and perforated prior to fracture stimulation operations commencing shortly.

Flax 7

No activity.

Flax East 1

Perforation of the Tirrawarra Sandstone interval has been completed.

Further updates will be issued on a weekly basis as the development operations progress and results become available.

Participants in the Flax Project are:	Innamincka (operator)	75%
	SCGAU	25%

Yours sincerely

Innamincka Petroleum Limited



Leni Stanley
Company Secretary