
ANNOUNCEMENT TO ASX

Date: 15 August 2008

To: Australian Securities Exchange
Companies Announcement Office
Electronic Lodgment System

Dear Sir

Recent Developments on the Flax Field

Innamincka Petroleum advises the following interim results since the last field progress report:

Flax – Juniper Complex

Results of development activities carried out over the last week have raised questions about the previously assessed nature and extent of the connection between the Flax and Juniper fields. The issues to be reviewed are:

- Recovery of formation water in the production stream from the completed basal Patchawarra and Tirrawarra sandstones in Flax 5.
- Initial analysis of the recovered water shows a fresher water composition than anticipated based on regional water analyses.
- Re-interpretation of the Flax East 1 wireline logs using this new water analysis reduces calculated oil saturations in the basal Patchawarra and Tirrawarra sandstones.
- A pressure gauge in the Tirrawarra Sandstone in Flax East 1 did not register any response to recent activities in the nearby Flax 5 well.

Separate testing of the basal Patchawarra and Tirrawarra sandstones in the Flax East 1 well to investigate hydrocarbon content will be conducted as soon as possible consistent with maximising Flax oil production.

Individual well activities are summarised below:

Flax 1

The well is producing about 300 bopd on a 16/64 inch choke. Trucking of oil to Moomba is proceeding on a regular basis.

Flax 2

The workover rig is on site and has removed the sand plugging in the tubing string and the basal Patchawarra interval flowed to surface in the 200-300 bopd range. The rig is currently working 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. As reported earlier, at the commencement of cleanup, the well 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. These flow rates have continued. It is planned to selectively complete the well over the next few weeks to determine the production stream from each interval.

Flax 6

The well has been fracture stimulated and is on cleanup and flowback.

Flax 7

No activity.

Flax East 1

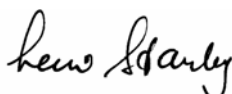
Perforation of the Tirrawarra Sandstone interval has been completed and a downhole pressure gauge run for monitoring purposes.

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
