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ANNOUNCEMENT TO ASX

Date: 22 August 2008

To: Australian Securities Exchange
Companies Announcement Office
Electronic Lodgment System

Dear Sir

Development Update on the Flax Field

Innamincka Petroleum advises the following updates since the 15th August field progress report:

Flax 1

The well is producing about 250-300 bopd on a 16/64 inch choke. Trucking of oil to Moomba is proceeding on a regular basis.

Flax 2

The workover rig is currently undertaking a recompletion operation. The well is expected to initially produce at 200-300 bopd from the basal Patchawarra sandstone after well tie back to the Flax facility.

Flax 3

Well tie back to the Flax facility is underway with production expected to start before month end.

Flax 4

Well tie back to the Flax facility is underway with production to commence soon after Flax 3.

Flax 5

Following last week's report, the well has been shut in awaiting the workover rig. It is planned to selectively complete the well over the next few weeks to determine the individual production stream from the basal Patchawarra sandstone and Tirrawarra Sandstone.

Flax 6

The well has been fracture stimulated and is on cleanup and flowback prior to being shut in for a pressure buildup survey.

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
