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ANNOUNCEMENT TO ASX

Date: 28 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 22nd August field progress report:

Flax 1

The well is producing about 200-250 bopd on a 16/64 inch choke. Trucking of oil to Moomba is proceeding on a regular basis. The well was shut in during the week to conduct a pressure buildup survey and to collect downhole and separator oil and gas samples for routine analysis.



Loading crude for transportation from the Flax central production facility

Flax 2

The workover rig is continuing to undertake a recompletion operation. Satisfactory progress is being made and the rig is anticipated to finish the operation next week. Well tie back to the Flax facility will be undertaken shortly.

Flax 3

Well tie back to the Flax facility is underway with production expected to start this weekend following inspection and commissioning of the flowline.

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 during the next few weeks to determine the individual production streams from the basal Patchawarra sandstone and Tirrawarra Sandstone.



Workover rig and production activity on Flax field

Flax 6

The well is shut in whilst the temporary testing equipment is rigged down from the well.

Flax 7

No activity.

Flax East 1

Perforation of the Tirrawarra Sandstone interval has been completed and the well is currently being monitored awaiting the workover rig to complete operations at Flax 2 and Flax 5.

The workover rig activities are central to the forward work program and, in particular, allow for a more definitive analysis of the Flax 5 production results. Accordingly, further reports will only be issued as these activities progress and development milestones are reached.

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

Yours sincerely

Innamincka Petroleum Limited



Leni Stanley

Company Secretary
