



INNAMINCKA
PETROLEUM
ACN 101 313 777

INNAMINCKA PETROLEUM LIMITED
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SHARE PURCHASE PLAN OFFER

Dear Shareholder

Invitation to participate in Share Purchase Plan offer

The Board of Directors (**Board**) of Innamincka Petroleum Limited (**Innamincka** or the **Company**) is pleased to offer Eligible Shareholders of Innamincka (as defined below) the opportunity to participate in a Share Purchase Plan offer (**SPP Offer**).

The SPP Offer entitles each Eligible Shareholder, regardless of their current investment in the Company, to subscribe for up to \$15,000 worth of fully paid ordinary shares in Innamincka (**Shares**), without paying brokerage.

This document sets out the terms and conditions of the SPP Offer. By agreeing to subscribe for Shares under the SPP Offer, you agree to be bound by these terms and conditions.

Pricing

The issue price per Share under the SPP Offer will be the lesser of:

- a discount of 15% to the average closing price of Shares on ASX (excluding special crossings and overnight sales) calculated over the last five days on which sales of Shares occurred on the ASX immediately prior to the Allotment Date (**Average Closing Price**); and
- \$0.20 per Share.

Accordingly, shareholders will pay no more than \$0.20 per Share which represents a 23% discount to the closing price of Shares on ASX on Friday, 10 July 2009, being the day before the SPP Offer was announced. The issue price of Shares under the SPP Offer will be determined after the SPP Offer has closed.

The market price of Shares may rise or fall between the date of the SPP Offer and the date on which Shares are issued to applicants. As a result, the price applicants pay under the SPP Offer will not be known until the close of trading on the trading day prior to the Allotment Date, but will be at least a 15% discount to the Average Closing Price and will not, in any event, exceed \$0.20 per Share.

Indicative timetable

The SPP Offer is only open to Eligible Shareholders who are registered as holder of a Share at 7:00pm (AEST) on Friday, 10 July 2009 (**Record Date**).

This means that Eligible Shareholders who acquired Shares in normal trading on the Australian Securities Exchange (**ASX**) on or before Tuesday, 7 July 2009 will be entitled to participate in the SPP Offer. Investors who purchased Shares on ASX after this date will not be entitled to participate in the SPP Offer.

The SPP Offer timetable is set out below. All dates are indicative and the Company reserves the right to change any date.

Activity	Indicative date	Description
Announcement Date	Monday, 13 July 2009	The date the SPP Offer was announced to the ASX.
Record Date	7:00 pm AEST Friday, 10 July 2009	The date on which Innamincka determines Eligible Shareholders.
Opening Date	Wednesday, 15 July 2009	The date on which the SPP Offer opens – first date applications will be accepted.
Closing Date	5.00 pm AEST Friday, 7 August 2009	The date on which the SPP Offer closes – the last possible date on which applications will be accepted.
Allotment Date	Thursday, 13 August 2009	The date Shares issued under the SPP are allotted, and scale back and the issue price of Shares is announced to ASX.
Quotation of Shares on ASX	Monday, 17 August 2009	The anticipated date on which Shares issued under the SPP commence trading on the ASX.
Despatch Date	Monday, 17 August 2009	The date on which holding statements will be sent to shareholders.

Who is an Eligible Shareholder?

You are eligible to participate in the SPP Offer (an **Eligible Shareholder**) if you are registered as a holder of Shares on the Record Date and have an address (as recorded in Innamincka's register of members) in Australia or New Zealand unless you hold shares on behalf of another person who resides outside Australia or New Zealand, in which case you will not be eligible to participate in respect of the Shares you hold on behalf of that person.

Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the SPP Offer.

This document will not constitute an offer in any jurisdiction in which it would not be lawful to make such an offer or to any person to whom it would not be lawful to make such an offer.

How much can you invest?

Participation in the SPP Offer is entirely at the discretion of Eligible Shareholders. Subject to the restrictions set out below, an Eligible Shareholder may apply to participate in the SPP Offer in parcels with a value of \$1,000, \$2,500, \$5,000, \$10,000 or \$15,000.

The number of Shares to be issued to each Eligible Shareholder who applies for Shares under the SPP Offer will be calculated by dividing the amount subscribed and accepted by Innamincka by the issue price of Shares. Fractions will be rounded up to the nearest whole Share.

Excess applications

Applications for Shares under the SPP Offer will be processed on an as received basis. Innamincka reserves the right to either close the SPP Offer early or to scale back applications.

If the total value of applications for Shares reaches A\$10 million Innamincka may, in its absolute discretion, scale back applications. Applications will also be scaled back to the

extent necessary to ensure that the total number of Shares issued pursuant to the SPP does not exceed 30% of the Company's current issued share capital. If applications are scaled back you may be allocated Shares to a value which is less than you applied for or not allocated any Shares at all. In either case, Innamincka will refund any excess application money (without interest). Any determination by the Board in respect of any scaling back will be final.

The Board therefore urges Eligible Shareholders intending to participate in the SPP Offer to lodge their application promptly.

Limits on participation

An Eligible Shareholder (other than a Custodian, as defined below) may not acquire more than \$15,000 worth of Shares under the SPP Offer, taking into account all applications, including joint and other beneficial interests and by applying for Shares applicants will be taken to have given Innamincka a certificate in the form described under the heading "Certificate by applicants" below.

The maximum subscription limitation of \$15,000 will apply even if an Eligible Shareholder has received more than one invitation to participate in the SPP Offer (whether in respect of a joint holding or because the Eligible Shareholder has more than one holding under separate share accounts).

An Eligible Shareholder who holds Shares as a custodian or nominee (**Custodian**) on behalf of more than one beneficiary who is resident in Australia or New Zealand (**Beneficiary**) may be eligible to apply for up to a maximum of \$15,000 of Shares for each Beneficiary subject to satisfying certain requirements. Custodians who wish to apply for Shares on behalf of more than one Beneficiary should contact Innamincka for more details on whether they are eligible to apply, and if so, how they may do so.

The Board reserves the right to reject an application if it considers that the applicant is not an Eligible Shareholder or has not otherwise complied with the terms and conditions of the SPP Offer or for any other reason in its sole discretion.

How can I participate?

The SPP Offer opens on the Opening Date, being Wednesday, 15 July 2009. If you wish to participate in the SPP Offer, you have three options.

1. Complete the accompanying personalised Application Form and pay for your application by credit card.

Details of how to pay by credit card are set out on the Application Form. If you choose to use credit card you still need to complete your personalised Application Form and send it to the Company's share registry, Link Market Services Limited at the address set out on the Application Form. Your Application Form must reach the Company's share registry by no later than 5:00 pm (AEST) on the Closing Date, being Friday, 7 August 2009.

If you pay by credit card your payment must be processed, and your application money must reach the Company's share registry, by no later than 5:00 pm (AEST) on the Closing Date, being Friday, 7 August 2009.

2. Pay for your application by BPAY.

Details of how to pay by BPAY are set out in your personalised Application Form. If you choose to use BPAY you do not need to complete your personalised Application Form, but you are taken to make the declarations on that form.

If you pay by BPAY your application money must reach the Company's share registry by no later than 5:00 pm (AEST) on the Closing Date, being Friday, 7 August 2009.

You should be aware that your own financial institution may implement earlier cut off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

3. Complete the accompanying personalised Application Form and pay for your application by cheque, bank draft or money order.

You must complete your personalised Application Form in accordance with the instructions on it and send it, together with your cheque, bank draft or money order for the applicable application money, to the Company's share registry, Link Market Services Limited at the address set out on the Application Form. Applications cannot be lodged by facsimile.

Completed Application Forms and your payment must reach the Company's share registry by no later than 5:00 pm (AEST) on the Closing Date, being Friday, 7 August 2009.

Applications received after the Closing Date will not be accepted. Applications and payments cannot be withdrawn once they have been received by Innamincka.

If the amount of the cheque, bank draft or money order tendered with your Application Form or your credit card or BPAY payment is:

- less than \$1,000, the Company will not allot any Shares to you and will refund you your application money;
- greater than \$15,000, the Company will, subject to any scale back, allot the maximum number of Shares to you in relation to \$15,000 and will refund you the excess; or
- for an amount between \$1,000 and \$15,000 that is not an amount of \$1,000, \$2,500, \$5,000, \$10,000 or \$15,000, the Company will, subject to any scale back, allot to you the number of Shares that would have been issued had you applied for a parcel size that is nearest to, but less than, the amount of your payment and will refund you the excess.

If your Application Form is incomplete, contains errors or is otherwise invalid or ineffective, Innamincka may, in its sole discretion, accept, reject, correct or amend your application, issue such number of Shares as it considers appropriate, refund your application money or take any combination of these actions.

Application money will not bear interest under any circumstances. Any refund will be paid to you shortly after the close of the SPP Offer.

Certificate by applicants

By applying for shares under the SPP Offer you will be taken to have given Innamincka a certificate that the total of the application price for the following does not exceed \$15,000:

- the Shares that you have applied for in your application;
- any other Shares issued to you under a share purchase plan or similar arrangement undertaken by Innamincka in the 12 months prior to your application;
- any other Shares that you have instructed a custodian to acquire on your behalf under the SPP Offer; and
- any other Shares issued to a custodian in the 12 months prior to your application as a result of an instruction given by you to the custodian to apply for Shares on your behalf under a share purchase plan or similar arrangement undertaken by Innamincka.

Custodians who wish to apply for Shares on behalf of more than one Beneficiary will be required to give Innamincka a different form of written certificate, which will be provided on request.

Allotment of Shares

Shares subscribed for under the SPP Offer are scheduled to be allotted and issued on the Allotment Date, being Thursday, 13 August 2009.

Shares issued under the SPP Offer will rank equally in all respects with all existing Shares on the date of their issue, and therefore will carry the same voting rights, dividend rights and other entitlements as existing Shares.

Innamincka will, promptly after issue of Shares under the SPP Offer, apply for those Shares to be quoted on the official list of the ASX.

Innamincka will not, however, make any allotment of Shares that would cause it to breach the ASX Listing Rules or the Corporations Act.

Innamincka will issue a holding statement or confirmation advice in respect of the Shares allotted and issued to you under the SPP Offer. You should confirm your holding before trading in any Shares you believe have been allotted and issued to you under the SPP Offer.

Additional Information

Offers on same terms and conditions

Innamincka is making two classes of offer under the SPP Offer. Offers are being made to Eligible Shareholders to acquire Shares on their own behalf, and to Eligible Shareholders to acquire Shares as a Custodian on behalf of a Beneficiary. Each respective class of offer will be made on the same terms and conditions and all offers are non-renounceable. This means that Eligible Shareholders cannot transfer their entitlement to subscribe for Shares under the SPP Offer to another person.

Costs of participation

No brokerage, commissions, stamp duty or other transaction costs will be payable by Eligible Shareholders in respect of their application for, and allotment of, Shares under the SPP Offer.

Administration of the SPP Offer

The SPP Offer will be administered by the Board and the Board will have an absolute discretion to:

- determine appropriate procedures for administration of the SPP Offer; and
- resolve conclusively any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP Offer, whether generally or in relation to any participating Eligible Shareholder, or application for Shares, and any such resolution will be binding on all participants and other persons to whom the resolution relates.

The SPP Offer and these terms and conditions of the SPP Offer may be suspended, terminated or modified at any time by the Board. The Company will notify ASX of any modification to, or termination of, the SPP Offer. The omission to give notice of any modification to, or termination of, the SPP Offer or the failure of ASX to receive such notice will not invalidate the modification or termination.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. Innamincka's rights may be exercised by the Board or any delegate of the Board.

These terms and conditions are governed by the laws in force in Queensland.

Basis of SPP Offer

The SPP Offer is made in accordance with an instrument of relief granted by the Australian Securities and Investments Commission, which is based on ASIC Class Order 09/425. The instrument grants the Company relief from the requirement to prepare a prospectus for the offer of Shares under the SPP Offer.

No recommendation

The SPP Offer is not a recommendation. If you are in any doubt about the SPP Offer and whether you should participate, or how participation in the SPP Offer will affect you (including the taxation implications of doing so), you should contact a professional advisor. Innamincka also recommends that you monitor the market price for Shares, which can be found on the website of the ASX at www.asx.com.au or in the financial pages of major metropolitan newspapers.

Any questions?

If you have any questions concerning technical aspects of the SPP Offer, please contact the Company Secretary's office, on (07) 3221 6022. If your questions concern investment related issues then you should contact a professional advisor.



Leni Stanley
Company Secretary
13 July 2009