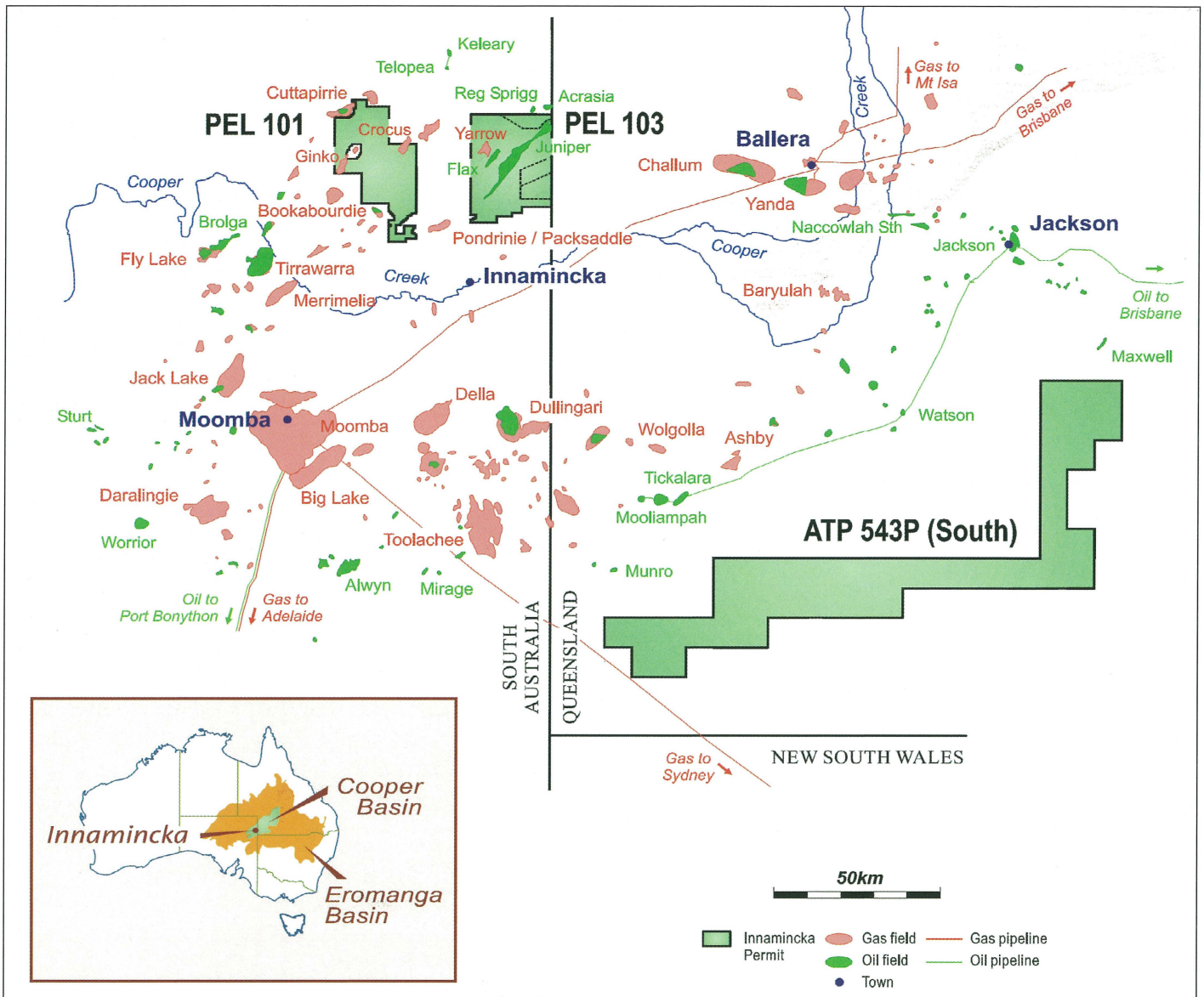


Innamincka Declares Major New Onshore Oilfield



Innamincka believes the Juniper and Flax oilfields are connected, increasing the amount of oil assessed.

The Flax and Juniper discoveries may prove to be among the largest onshore oilfields in Australia, according to Queensland based company Innamincka Petroleum. Success of the field has led to Innamincka announcing plans to construct a 110 km pipeline, that will incorporate a pipeline from the Flax field to the township of Moomba in South Australia.

Innamincka said that the Flax East-1 well has confirmed that the Flax and Juniper oil discoveries made by the PEL 103 Joint Venture are connected and has significantly increased in the assessed inplace oil resource.

Following preliminary analysis of the wireline log data of Flax East-1, Innamincka said that the target Patchawarra Formation and Tirrawarra Sandstone are hydrocarbon (oil) saturated and there is no evidence of water

saturated sandstones in the target Permian section.

Innamincka said the Flax East-1 well result is a tremendous result for the potential of the region and for the Innamincka and SCGAU joint venture partnership, SCGAU is a subsidiary of Seoul City Gas. The Flax East-1 well has now been cased and suspended for future production.

Eight wells have now been drilled by the PEL 103 joint venture within the Flax and Juniper field area and all wells have encountered oil-saturated sandstones in the primary target interval.

Well completion and fracture stimulation activity commenced on the Flax field in early August 2007 and Innamincka said that since

then, four fracture stimulation operations have been conducted.

In Flax-2, the fracture stimulation of the Tirrawarra Sandstone has provided limited flowback at this time and fracture stimulation of the higher basal Patchawarra sandstone has since been undertaken. Initial flowback from this interval is 200 bopd of fluid with the well continuing to clean up.

In Flax-3, following fracture stimulation of the basal Patchawarra-Tirrawarra Sandstone interval, a flowrate of 700 bopd of fluid was measured during the cleanup process.

In Flax-4, following fracture stimulation of the basal Patchawarra-Tirrawarra Sandstone interval, the well is flowing 200 bbl of fluid per day as it continues to clean up.

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Innamincka anticipates the well will support a 150-200 bopd flowrate during field production. The Flax-1 well, following earlier fracture stimulation, showed a flowrate capability of 300-350 bopd.

Innamincka Petroleum said that these flowrate capabilities demonstrated by all four wells exceed the criteria required for commercial production.

Current field production is restricted to the individual wells on clean up flow due to the limited field infrastructure. By mid-October, the joint venture expects temporary flowlines connecting all four wells to be installed and consistent production to begin.

Meanwhile, The Flax East-1 ST1 well has reached a total depth of 2,818 m and 7 inch production casing was run to a depth of 2,314 m and the well suspended as a future oil and gas producer. ■