
ANNOUNCEMENT TO ASX

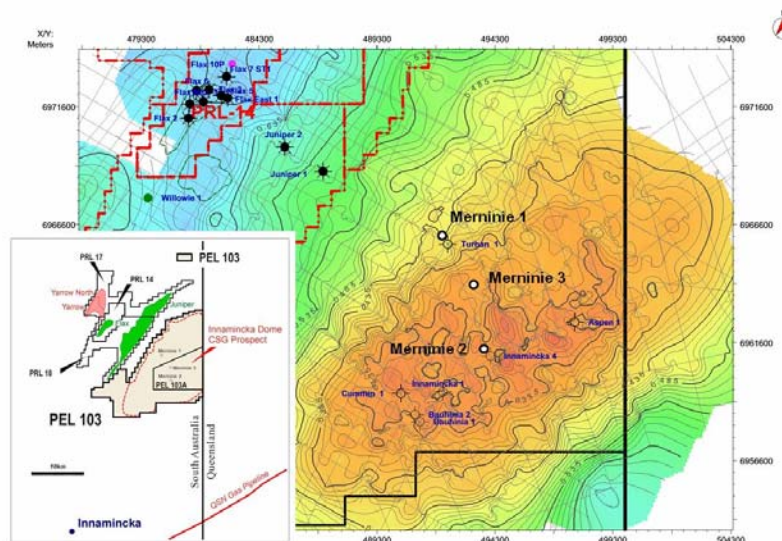
Date: 15 October 2009
To: Australian Stock Exchange Limited
Companies Announcement Office
Electronic Lodgment System

Dear Sir

Commencement of Coal Seam Gas Drilling Programme

AGL Energy Limited ("AGL"), as operator of the coal seam gas programme for PEL 103 and PEL 103A Joint Ventures, has notified us of the spudding of the first Coal Seam Gas (CSG) exploration well, Merninie-2, on the Innamincka Dome. This is the first of a three well programme aimed at delineating the CSG potential of PEL 103 and PEL 103A in the Cooper Basin.

The programme includes coring of the Winton Formation coals, Drill Stem Tests (DST's), full lab analysis and desorption testing of the recovered cores. The aim of these activities is to ultimately attain reserves certification for the Innamincka Dome prospect.



Innamincka CEO David Kinsman said, “We are very pleased to be moving ahead with this new and exciting phase in Innamincka’s development. Unlocking further value in the CSG side of our business will be an important driver for growth into the future.”

The drilling programme is expected to take approximately 6 weeks. Updates of drilling progress will be made on a regular basis.

Yours sincerely
Innamincka Petroleum Limited



Leni Stanley
Company Secretary

Participating interests in the referenced joint ventures are:

PEL 103 and 103A

	PEL103	PEL103A
Innamincka Petroleum Limited	37.5%	37.5%
AGL Energy Limited (Operator of CSG activity)	37.5%	37.5%
Seoul City Gas (Australia) Pty Ltd	25%	
Avery Resources (Australia) Pty Ltd		25%