
ANNOUNCEMENT TO ASX

Date: 30 June 2009

To: Australian Stock Exchange Limited
Companies Announcement Office
Electronic Lodgment System

Dear Sir

INNAMINCKA DOME CSG DRILLING PROGRAM TO COMMENCE IN AUGUST

HIGHLIGHTS

Innamincka Petroleum Limited ("INP") is pleased to announce that rig availability has been confirmed for exploration drilling to commence on the Coal Seam Gas ("CSG") targets within PEL 103 in the Cooper Basin:

- The program involves initially drilling three (3) planned core holes. The cost will be borne by AGL Energy Limited ("AGL") as part of its \$5 million carry of INP's share of future exploration and appraisal activity.
- Resource Investment Strategy Consultants ("RISC") has indicated that the Innamincka Dome contains an estimated potential high side recoverable CSG resource of up to 800 Billion standard cubic feet ("Bscf").
- The area is located only 25 kilometres from the QSN Link (Ballera-Moomba) transmission pipeline, potentially facilitating cost-effective access to market.
- The CSG targets underpin INP's gas aggregation strategy on its Cooper Basin tenements.

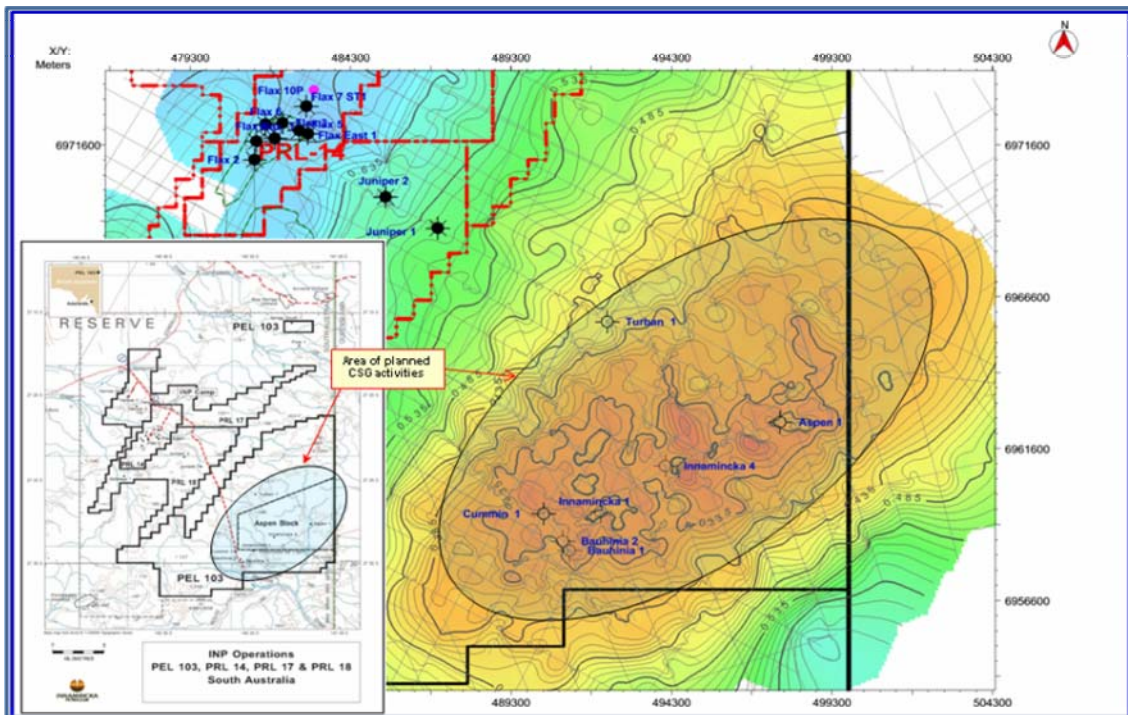
BACKGROUND

CSG exploration drilling on the Innamincka Dome CSG prospective resource in PEL 103* is planned to commence in August. Locations have been selected and approvals are anticipated so that drilling will commence on time.

The Innamincka Dome structure covers an area in excess of 200 square kilometres with the initial drilling program containing three (3) planned core holes. These are aimed at exploring the potential of the shallow Winton Formation coals, which have previously been intersected in conventional petroleum exploration wells on the Innamincka Dome and which have exhibited elevated gas readings in the course of drilling. These wells are proximate to the planned core holes.

Coal intersections were recorded in the majority of the surrounding wells on the Innamincka Dome at depths of 200-540 metres with cumulative interpreted coal thicknesses of up to 40 metres in a single well. These depths and coal intersections are analogous to a number of commercial Surat Basin CSG fields.

Analysis of coal samples taken from these wells showed some thermal properties (notably vitrinite reflectance) comparable to the Walloon coals of the Surat Basin and coals in the prolific Powder River Basin of the US. The CSG prospect contains the key positive elements of shallow subsurface depth (less than 600 metres), significant gross coal thickness and favourable coal rank coupled with elevated gas readings observed while in the course of drilling.



Maturing of the Innamincka Dome CSG prospective resource into gas reserves will commence with this initial core hole drilling program. This activity will be operated by AGL, a joint venture partner in PEL 103* and PEL 101.

With success, the potential of a new CSG province will be confirmed by a pilot test to demonstrate the ability to commercially produce gas. This will be followed by development plans and economics to support commercial development. Of importance is the relatively close proximity of the transmission pipeline infrastructure which may differentiate Innamincka Dome CSG from other potential projects as gas could be brought to market efficiently in a success case. Also of note are the gas marketing agreements which INP signed with AGL earlier this year which allow INP to obtain market prices for its share of any gas produced.

As previously advised by the INP Directors, "Success with the CSG appraisal activity will be a cornerstone of the concept of aggregating gas for commercialisation from conventional sources within PEL 103*, as well as from PEL 101."

Participating interests in the referenced joint ventures are:

	PEL103	PEL103A	PEL 101
Innamincka Petroleum Limited (Operator)	37.5%	37.5%	25%
AGL Energy Limited	37.5%	37.5%	35%
Seoul City Gas (Australia) Pty Ltd	25%		
Avery Resources (Australia) Pty Ltd		25%	
Mid Continent Equipment (Australia) Pty Ltd			40%

* Reference to PEL 103 incorporates PEL 103A (Aspen Block).

Yours sincerely
Innamincka Petroleum Limited



Leni Stanley
Company Secretary