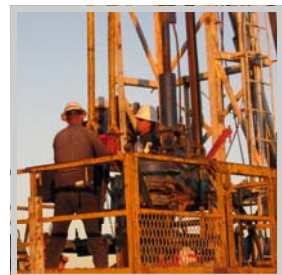


QUARTERLY ACTIVITIES & CASHFLOW REPORT

For the period ended 30 September 2009

HIGHLIGHTS FOR THE QUARTER

- **Snatcher-2 completed as a Birkhead oil producer after encountering an 18 metre oil column in good quality reservoir. The well has demonstrated that there is a stratigraphic trap component to the Snatcher oil pool which has significant implications for exploration and appraisal activity elsewhere in the “Western Oil Fairway”.**
 - **Snatcher-3 will be drilled to further appraise the Snatcher oil pool in the fourth quarter.**
 - **Snatcher-1, Snatcher-2 and the previously drilled Tigercat-1 oil wells will be placed on Extended Production Test at a combined rate of approximately 1,000 BOPD in the fourth quarter. All three wells will be produced by pumping to maximise flow rates.**
 - **Growler Field continued to perform strongly with production increasing to 95,594 barrels of oil (Impress share 38,238 barrels) during the quarter. Growler-3 and Growler-5 are producing on free flow at restricted rates as part of the Operator’s water encroachment minimisation policy.**
 - **Following a review of preliminary data, the Joint Venture has elected to undertake additional processing of the Mollichuta 3D seismic survey data which is expected to be finished by the end of 2009. This decision has delayed drilling activity based on the data until the first quarter of 2010.**
 - **The strong Growler Field production has meant that the Company has maintained cash reserves with cash at hand at the end of the quarter being \$6.33 million despite ongoing drilling and development activity remaining at high levels.**
-



REVIEW OF OPERATIONS

With the success of Snatcher-2, and completion of Tigercat-1, Impress' position in the "Western Oil Fairway" of the Cooper Basin in South Australia continues to grow.

Commenting on the September Quarter results, Impress' Acting Chief Executive Greg Smith said:

"Impress is at last gaining attention from investors as a company that more than satisfies the general criteria for investors in the small cap part of the oil and gas sector.

Impress is being viewed as a company which has a very strong growth upside, both from exploration and from increased oil production. The successful rights issue earlier this year and increased cash flow from the Growler Field have placed the company in a strong financial position to progress the commercialisation of the oil potential of the western fairway. The Extended Production Tests at Snatcher and Tigercat Fields should see production from our fields in the fairway increase to 2,000 BOPD by the end of the year.

Our cost structure is low and, at the current oil price and exchange rate, production is very profitable.

Once the recently acquired 3D seismic in the Western Margin has been interpreted, we are confident that further success will emerge from our permits in this exciting new oil province. Snatcher-2 is particularly exciting because it has demonstrated that a stratigraphic trap component to the trapping mechanisms that are present along the fairway. The well results will be applicable to other exploration and appraisal work to be undertaken in the first quarter of 2010."

PRODUCTION AND DEVELOPMENT

PPL 213 Mirage & PPL 214 Ventura Oilfields (Impress 40%)

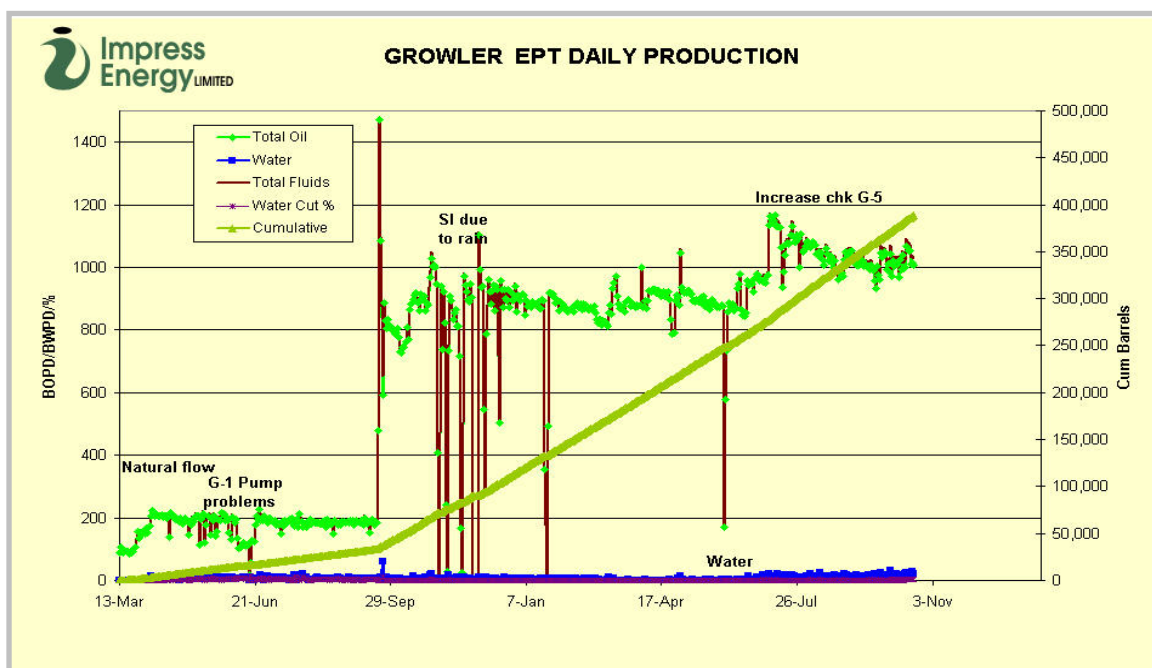
Mirage and Ventura oilfields produced during the quarter gross 7,403 barrels of oil (net to Impress 2,961 barrels of oil). During the past six months production from the fields has stabilised at about 80 BOPD.

PRL 15 Growler Oilfield (Impress 40%)

Production for the quarter averaged 1,039 BOPD, with production mainly from three wells, Growler 3, 4 and 5, all on free flow with restricted chokes. This production rate represents an 18% increase from the previous quarter following the completion of the Growler facilities upgrade. The Growler Oilfield produced 95,594 barrels of oil (net to Impress 38,238 barrels of oil) during the quarter.

Total Growler Oilfield production from March 2008 is now in excess of 380,000 barrels. Production continues with minimal water cut as shown on the graph below.





EXPLORATION

Mollichuta 3D Seismic Program PEL 104, PEL 111, PRL 15 (Impress 40%)

With the completion of the acquired PEL 104, PEL 111 and PRL 15 Mollichuta 3D seismic program, the Joint Venture is now processing the data gained from the field work. Following review of the preliminary data in September, the Joint Venture agreed to undertake further processing work which will be completed by the end of the year. The decision to undertake this additional processing has meant that the drilling program, including further appraisal wells at Growler Field has been delayed until the first quarter of 2010.

The 268 square kilometre survey represents a very significant investment towards the realisation of the value of the Western Oil Fairway and, once processing is completed, is expected to provide clear appraisal and exploration drilling targets for the fields already discovered and the numerous prospects which have been recognised on the existing 2D seismic data.

PEL 111, Snatcher-2, Snatcher-3 and Tigercat-1 (Impress 40%)

Snatcher-2 was drilled using Century Drilling rig 3. The well spudded on the 2nd August 2009 and reached total depth of 1,825 metres on the 12th August. The well encountered the primary Birkhead reservoir objective with good oil shows over a 19 metre interval from 1,765 metres to 1,784 metres. A core was cut to evaluate the reservoir over the interval 1,768.8 metres to 1783.8 metres. Wireline logging confirmed the oil column and the well was cased and suspended as a future oil producer. The rig was released on the 16th August. Snatcher-2 was drilled outside of structural closure and the well's success has confirmed a significant stratigraphic trap component to the Snatcher oil pool.

Subsequently the well was completed for production using a smaller workover rig. Both Snatcher-2 and the previously drilled Snatcher-1 will be placed on an Extended Production Test (EPT) and are expected to produce at a combined rate of approximately 800 BOPD on pump when brought on stream in November 2009.

Both wells have been credited against the work commitments for PEL 111.

The Joint Venture also agreed to an EPT on the 2008 Tigercat-1 Birkhead oil discovery. This well will be placed on production by pump in November at an expected initial rate of 200 BOPD. Once on stream, the three wells will bring the combined production level from Impress' fields in the "Western Oil Fairway" to about 2,000 BOPD (Impress share 800 BOPD).

Subsequent to the end of the quarter, the Joint Venture elected to drill Snatcher-3 to further appraise the Snatcher Oil accumulation. Snatcher-3 is expected to spud in late October using Century Rig 3 and will test the Birkhead channel system identified in the previous two wells at a location approximately 800 metres to the northwest of Snatcher-2. The well has a planned total depth of 1,800 metres.

For further information, please contact:

Greg Smith

Acting Chief Executive Officer

Les Longden

Executive Director Corporate

Ph: (08) 9214 2500

Em: info@iel.com.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Impress Energy Limited

ABN

15 009 212 319

Quarter ended ("current quarter")

30 September 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	3,202	3,202
1.2 Payments for		
(a) exploration and evaluation	(1,846)	(1,846)
(b) development	(768)	(768)
(c) production	(1,107)	(1,107)
(d) administration	(221)	(221)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	64	64
1.5 Interest and other costs of finance paid	(87)	(87)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Other – Management and Office Income	3	3
Other – Technical fees (Nett)	(53)	(53)
Other - GST	(19)	(19)
Net Operating Cash Flows	(832)	(832)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments	4	4
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	4	4

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(828)	(828)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(828)	(828)
1.20	Cash at beginning of quarter/year to date	7,172	7,172
1.21	Exchange rate adjustments to item 1.20	(15)	(15)
1.22	Cash at end of quarter	6,329	6,329

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	83
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Nil	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1a Loan facilities (Smith Loan) Aug 2008	2,000	2,000
3.1b Extension facilities (Smith Loan) Jan 2009	1,500	600
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1a Exploration and evaluation	1,116
4.2 Development	787
Total	1,903

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	5,857	6,531
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Cash advanced to joint ventures	472	641
Total: cash at end of quarter (item 1.22)	6,329	7,172

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

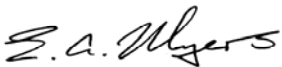
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	796,186,358	796,186,358		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	4	-	Note term to 9 September 2010 – (\$50,000 per note).	
	5	-	Note term to 11 September 2010 – (\$50,000 per note). <i>(Three year extension on all convertible notes was approved by shareholders at AGM 26 November 2007)</i>	
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	5,000,000	-	<i>Exercise price</i> \$0.055	<i>Expiry date</i> 1 December 2009

+ See chapter 19 for defined terms.

7.8	Issued during quarter			
7.9	Exercised during quarter			
7.10	Expired during quarter			
7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~^{*} (*delete one*) give a true and fair view of the matters disclosed.

Sign here: 
(~~Director~~/Company secretary)

Date: 23 October 2009

Print name: Ernest Anthony Myers

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with

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+ See chapter 19 for defined terms.