



ABN 15 009 212 319

QUARTERLY ACTIVITIES REPORT For the period ended 31 March 2010

HIGHLIGHTS FOR THE QUARTER

- Receipt of the final processing of the Mollichuta 3D Seismic Survey. Preliminary interpretation of the data indicates at least 25 drilling targets in and around the Growler and Snatcher Fields. On the basis of this exciting data, work is underway to secure two drilling rigs for a program of up to 10 wells during the second half of 2010.
- The Company undertook a successful capital raising through a combination Share Purchase Plan and Placement that raised \$4.2 million (after costs) and boosted cash on hand to \$11.2 million at the end of the quarter.
- Joint Venture Operator (Victoria Petroleum) announces an upgrade of their gross 3P oil reserves for the Growler Field to 5.8 mmbbl taking total current 3P gross reserves for the Growler and Snatcher Fields to 7.3 mmbbl (2.9 mmbbl to Impress).
- A once in twenty year flooding event has severely disrupted production and drilling operations deferring these activities until the latter part of 2010. The Joint Venture Operator has taken appropriate steps to protect the field assets and the environment and reduce operating costs during the flood.
- Joint Venture Operator announces plans to recommence full production in the third quarter of 2010 at a new record level of 1,600 BOPD (640 BOPD to Impress).



REVIEW OF OPERATIONS

“There’s many a slip twixt cup and lip”

Old folk expression.

“Water, water everywhere”

Coleridge, The Rime of the Ancient Mariner

In the December 2009 Quarterly Report I wrote:

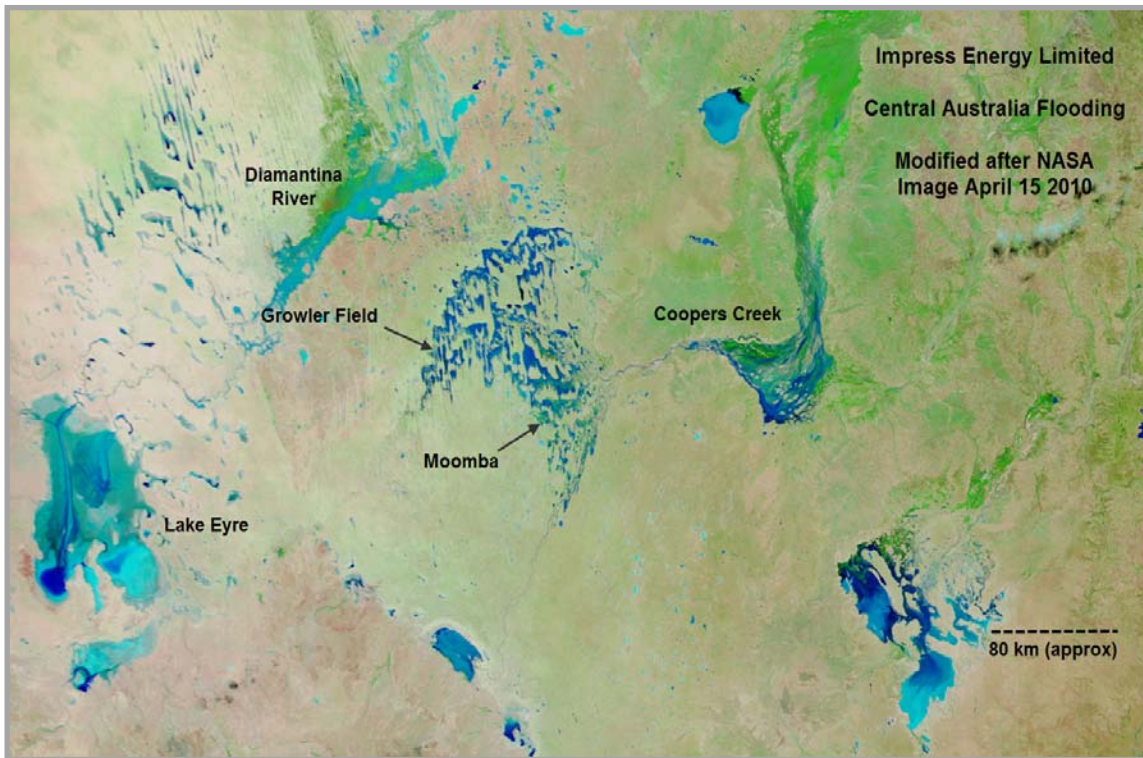
“Although the processing of the Mollichuta 3D Seismic has taken much longer than expected, preliminary results have given the Joint Venture sufficient confidence to agree to an initial drilling program consisting of two Growler wells (Growler-6 and Growler-7) and an exploration well, Liberator-1, near the Snatcher Field that will commence in February 2010. In all, up to 12 wells could be drilled in 2010 which is shaping up to be a very exciting, and defining, year for Impress.”

Little did I realise that, although 2010 will still likely be a defining year for your company, drilling and production would be deferred by up to eight months by the largest flood in Central Australia for twenty years. The flooding commenced with heavy local rains in December and January which caused the temporary closure of the local road system. The rain bearing systems then dumped record rains in south west Queensland that flooded the Coopers Creek and other river systems. The Coopers Creek flows from Queensland through our Western Oil Fairway to Lake Eyre. Four separate flood fronts have come down the Creek and the figure below, taken from NASA imagery, shows the extent of the flooding in mid April. The floodwaters have cut both our road system and the larger Santos road system and partially flooded both the Growler and Snatcher Field facilities. It is not envisaged by the Operator, Victoria Petroleum, that access to the Growler Field will be available until July 2010 and that full access to most areas will be restored before the end of September 2010 and possibly later. Some low lying areas, where water has pooled and must evaporate, may not be accessible for up to twelve months depending on weather conditions.

However, once access is regained an aggressive drilling program using two rigs is planned. This program will address appraisal and exploration opportunities identified in the final processed Mollichuta 3D volume which has now been received. Mapping of this data is ongoing and a large number of exciting opportunities have already been identified within the Birkhead reservoir system. Indeed, the 3D seismic has provided a new window with which to unravel the geology of this complex but rewarding system.

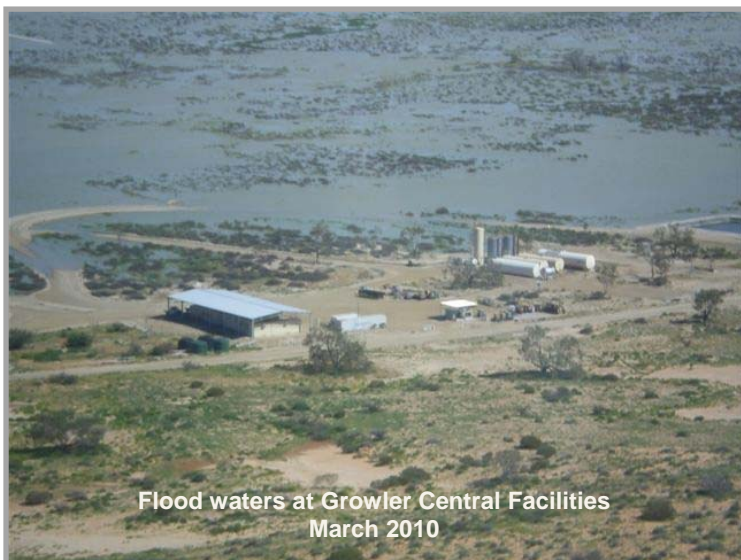
I wish to thank shareholders for their support and patience during the recent events where nature has shown yet again how the best laid plans can unravel.

Greg Smith
Acting Chief Executive Officer



PRODUCTION AND DEVELOPMENT

**PRL 15 Growler Oil Field
(Impress 40%)**



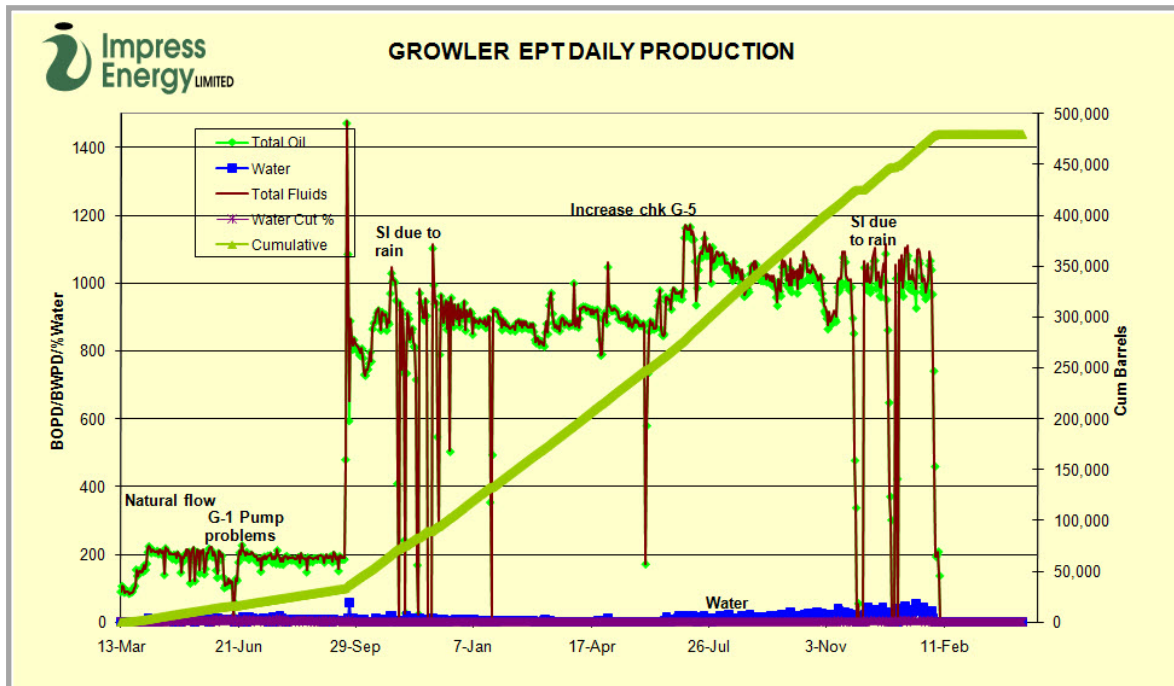
The Growler Field was shut in on the 2nd February 2010 after reaching “tank top” and all electrical equipment was moved to higher ground in accordance with the Operator’s Flood Mitigation and Environmental Management plans.

The field produced 32,577 barrels of oil (13,031 barrels net to Impress) for the part of the quarter that it was in production at an average rate of 1,018 BOPD. Average water cut is less than 3.5%.

Total Growler Oilfield production from March 2008 is now in excess of 480,000 barrels.

To minimise costs, manning levels have been reduced to one operator.

Well head pressures have been monitored during the shut in period and showed strong build-up which indicates that the field has a strong water drive which will improve ultimate oil recovery and reserves. Growler-5 well head pressure, for example, has built back to within 15 psi of original pressure.



PEL 111 Snatcher Oil Field EPT (Impress 40%)

The Snatcher Extended Production Test commenced to temporary production facilities on 17 December 2009. Both Snatcher-1 and Snatcher-2 were brought on line producing on pump. However, before stabilised production rates could be established, extensive local rain caused road closures and the field was temporarily shut in on 25 December 2009 after 1,767 barrels of oil had been produced, mainly from Snatcher-1 as the Snatcher-2 pump required some remedial work. Production from Snatcher-1 recommenced on 2 January, but Snatcher-2 was not brought back on line until late in January 2010.

The field was shut in again in early February 2010 when flood waters cut the Walkers Crossing point on the Coopers Creek which is the Santos road used to transport crude from the field. Production prior to shut in was 9,018 barrels of oil (3,607 barrels net to Impress), of which almost all was from Snatcher-1. The facilities are currently unmanned.

Planning and design of a permanent production facility for the Snatcher Field is well advanced. This planning is also investigating alternative export methods for the Snatcher crude including pipeline options contingent upon significant further oil discoveries in and around the Field.

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

Mirage and Ventura oilfields produced gross 2,226 barrels of oil (890 barrels net to Impress) during the quarter before being shut in on the 1 February 2010. The facilities are not presently manned. As the Mirage area is located on high ground outside of the Coopers Creek floodplain production, although small, should resume in advance of that from the Growler Field.

EPLORATION

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

The final version of the processed Mollichuta 3D seismic volume was received by the Operator in late March and interpretation of the data is proceeding. The data, particularly in the Growler area, is of high quality and has enabled very clear definition of the Birkhead reservoir system.

In the preliminary interpretation of the data the Operator has identified 25 prospects and leads so far, particularly appraisal and near field exploration targets adjacent to both the Growler and Snatcher Fields. The most attractive of the features will be drilled in the last quarter of the year and in 2011. The flooding means that the evaluation of the data can proceed without the pressure of keeping a rig "busy" ensuring that only the best ranked features get drilled.

To accelerate the drilling process and for logistical reasons, it is planned to use two rigs in this program. Century Rig 3, which is currently stacked at the Growler-6 location (at no cost to the Joint Venture) will be used to drill targets in the Growler area, while a second rig is being secured to drill targets in the Snatcher area.

The 268 square kilometre 3D survey represents a very significant investment by your company towards the realisation of the value of the Western Oil Fairway and the preliminary results are very encouraging.

CORPORATE

During the quarter the Company raised \$4.2 million in working capital (net of underwriting fees) through the combination of a placement of 36,400,000 shares at 5 cents to sophisticated investors, and a Share Purchase Plan partially underwritten by two of the Company Directors including the Chairman which raised \$2.5 million through the issue of 50,000,000 shares also at 5 cents. In addition, the terms of the loan to the Company by the Chairman, Eddie Smith, were modified to defer principal repayments on the loan to January 2011.

The Company now has \$11.2 million cash on hand which is the highest level it has ever been.

For further information please contact:

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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")

31 March 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	3,303	9,074
1.2 Payments for		
(a) exploration and evaluation	(217)	(2,843)
(b) development	(861)	(2,410)
(c) production	(1,223)	(3,245)
(d) administration	(279)	(795)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	96	214
1.5 Interest and other costs of finance paid	(107)	(280)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Other – Management and Office Income	3	9
Other – Technical fees (Nett)	(36)	(110)
Other – GST	(93)	12
Other Income	6	6
Net Operating Cash Flows	592	(368)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(12)	(16)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		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	(12)	(12)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	580	(380)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	4,196	4,416
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	4,196	4,416
	Net increase (decrease) in cash held	4,776	4,036
1.20	Cash at beginning of quarter/year to date	6,397	7,172
1.21	Exchange rate adjustments to item 1.20	(11)	(46)
1.22	Cash at end of quarter	11,162	11,162

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	122
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	100
4.2 Development	250
Total	350

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	11,910	5,787
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Cash advanced to joint ventures	(748)	610
Total: cash at end of quarter (item 1.22)	11,162	6,397

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.

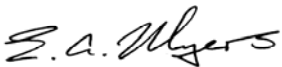
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	860,336,353	860,336,353		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	60,150,000	60,150,000	\$0.05	\$0.05
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>				

+ See chapter 19 for defined terms.

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

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 ~~/does not~~* (delete one) give a true and fair view of the matters disclosed.

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

Date: 23 April 2010

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.