



IMPRESS ENERGY LIMITED REMUNERATION POLICY

The Board is of the opinion due to the nature and size of the Company, the functions performed by a remuneration committee can be adequately handled by the full Board.

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Remuneration Philosophy

The remuneration policy of Impress is to establish remuneration practices that :-

- are consistent with the Company's goals and objectives;
- encourages directors and management to pursue the long-term growth and success of the Company within an appropriate framework;
- deliver a level and composition of remuneration that is sufficient and reasonable and compares favourably with other employees in the industry;
- clearly define the relationship of remuneration to corporate and individual performance; and
- attract and maintain talented and effective directors and employees so as to encourage enhanced performance of the Company.

Remuneration levels for directors, management and staff are competitively set to attract, retain and motivate appropriately qualified and experienced directors and management.

Non-Executive Directors

The present aggregate limit is \$250,000 per annum. Non-Executive Directors receive fees which are determined by the Board within the aggregate limit set by the shareholders at a General Meeting.

All Non-Executive Directors will receive remuneration by way of fixed fees. Levels for remuneration for individual Non-Executive Directors may vary depending upon any additional duties the Non-Executive may be responsible for. Consulting work directly to the Company compensated on a rate basis is not encouraged. However, because of confidentiality or knowledge of assets, Non-Executive Director services maybe employed. Non-Executive Directors receive no retirement benefits apart from statutory superannuation. External professional advice may be sought to determine the level of Directors fees to ensure they are appropriate.

The Board will determine the level of fees with reference to other comparable listed companies determined by size and nature of operations. Directors' fees should be set at a level to attract suitably qualified individuals to accept the responsibilities of a Directorship.

Executives

To date the Company remuneration packages have not included amounts based upon performance based criteria, but the Board notes that the future inclusion of such criteria in remuneration packages is now considered by the broader industry to be an appropriate means to help the Company build a more performance based culture and the objective of the Company's remuneration strategy.

Noting the industry trends, the Board is in favour of the total remuneration of executives, management and staff and dedicated consultants, to be performance based.

Future remuneration structures shall be designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of sufficiently motivating all management, staff and consultants to create value for shareholders.

The remuneration structures take into account:

- the capability and experience of the directors and management;
- the ability of directors and management to control the performance of the relevant area of responsibility;
- the performance of the company including:
 - the success of exploration and production activities;
 - compliance with regulatory regimes;
 - adherence to health, environment and safety policies;
 - the consolidated entity's earnings;
 - the growth in share price and returns to shareholders;
 - the level of performance benefits within each employee's remuneration package; and
 - the relative value of each component of the remuneration package.

Future remuneration packages shall consist of fixed remuneration in the base package (inclusive of superannuation), short-term performance benefits in the form of cash bonuses and if considered appropriate, may include long-term performance benefits in the form of share options.

Packages shall be tailored to individual employees in order to provide maximum encouragement to perform for the benefit of shareholders and will be designed to reflect labour market demands. The aim of future individual remuneration packages is to provide a balance between the immediate and long-term goals of Impress.

Existing remuneration packages consist of a fixed base salary, including superannuation and termination with an agreed option package based on KPI performance requirements. These have a fixed exercise price and date. All options issued have been subject to shareholder approval.

Remuneration, and the terms of employment, of all senior management have been formalised in service agreements. All remuneration paid to directors and management is valued at the cost to the Company and expensed.