

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

Imperial Corporation Limited

ABN

29 002 148 361

Quarter ended ("current quarter")

31 March 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (9 months) \$A
1.1 Receipts from product sales and related debtors	2,414,234	2,645,807
1.2 Payments for (a) exploration and evaluation	-	-
(b) development	-	-
(c) production	(845,236)	(906,725)
(d) administration	(707,292)	(1,464,655)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12,186	94,430
1.5 Interest and other costs of finance paid	(822,895)	(943,415)
1.6 Income taxes paid	-	-
1.7 Other Sundry Revenue	23,100	86,354
Net Operating Cash Flows	74,097	(488,204)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(60,628)	(60,628)
(b) equity investments	-	(4,195,000)
(c) other fixed assets	(104,108)	(104,108)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	18,246	236,404
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(642,631)
1.11 Loans repaid by other entities	15,496	15,496
1.12 Other – Acquisition of Empire Energy	272,452	272,452
Net investing cash flows	141,458	(4,478,015)
1.13 Total operating and investing cash flows (carried forward)	215,555	(4,966,219)

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1.13	Total operating and investing cash flows (brought forward)	215,555	(4,966,219)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,032,985	2,828,905
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	622,432	622,432
1.17	Repayment of borrowings	(8,860)	(3,028,860)
1.18	Dividends paid	-	-
1.19	Other – (provide details if material)	-	-
	Net financing cash flows	2,646,557	422,477
	Net increase (decrease) in cash held	2,862,112	(4,543,742)
1.20	Cash at beginning of quarter/year to date	774,463	8,431,378
1.21	Exchange rate adjustments to item 1.20	(19,824)	(270,885)
1.22	Cash at end of quarter	3,616,751	3,616,751

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
1.23	Aggregate amount of payments to the parties included in item 1.2	70,000
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

<ul style="list-style-type: none"> - Consultant fees paid to Eastern & Pacific Capital Pty Ltd of which B W McLeod is a Director - Non-Executive directors fees and superannuation guarantee levy payments
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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

Financing facilities available

Add notes as necessary for an understanding of the position.

(See Appendix 1 Attached)

	Amount available \$USD	Amount used \$USD
3.1 Loan facilities	150 million	44 million
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A
4.1 Exploration and evaluation	50,000
4.2 Development	Nil
Total	50,000

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	Previous quarter \$A
5.1 Cash on hand and at bank	706,865	169,828
5.2 Deposits at call	2,909,886	604,635
5.3 Bank overdraft	-	-
5.4 Other - Joint Venture	-	-
Total: cash at end of quarter (item 1.22)	3,616,751	774,463

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	-	-	-

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>	Nil	Nil		
7.2 Changes during quarter				
(a) Increases through issues	Nil	Nil		
(b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil		
7.3 +Ordinary securities	2,399,369,728	2,399,369,728		
7.4 Changes during quarter				
(a) Increases through issues	377,997,920	377,997,920		
(b) Decreases through returns of capital, buy-backs	Nil	Nil		
7.5 +Convertible debt securities <i>(description)</i>	Nil	Nil		
7.6 Changes during quarter				
(a) Increases through issues	Nil	Nil		
(b) Decreases through securities matured, converted	Nil	Nil		
7.7 Options <i>(description and conversion factor)</i>	10,000,000 Executive 1,000,000 Executive 36,521,733 61,848,315	Nil Nil Nil Nil	<i>Exercise price</i> \$0.0047 \$0.0105 \$0.01 \$0.009	<i>Expiry date</i> 6 December 2010 5 March 2013 16 April 2010 12 December 2010
7.8 Issued during quarter	Nil	Nil		
7.9 Exercised during quarter	Nil	Nil		
7.10 Expired during quarter	Nil	Nil		
7.11 Debentures <i>(totals only)</i>	Nil	Nil		

7.12	Unsecured notes (<i>totals only</i>)	Nil	Nil
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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: Date 30 April 2010
 (Company secretary)

Print name: David Hughes

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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NOTES ON CASHFLOW

Operating Cashflows

The appendix 5B consolidates for the first time the cashflows of Empire Energy USA LLC.

Cashflow information reported for Empire Energy for the quarter includes revenue from gas sales for less than 2 months (timing of receipt of revenues) while it includes expenses for the full quarter.

In addition, more than USD\$225,000 classified as 'administration expenses' are directly related to the 22 December 2009, US\$38 million acquisition. These acquisition costs include legal expenses, accounting, management & information system- upgrades, training costs and upgrade and repair of plant and equipment. All costs associated with the acquisition are expected to be finalised this quarter.

Loan Facilities

The Company established a US\$150,000,000 credit facility with Macquarie Bank Limited consisting of two components, established for the sole purpose of acquiring and developing oil and gas assets in the USA.

- The first component consists of US\$50,000,000 revolving line of credit facility (Revolver) utilised to refinance existing debt and to undertake future acquisitions.
- The second component comprises a US\$100,000,000 acquisition and development term credit facility.

A summary of amounts drawn down under the Macquarie Bank facilities at 31 March 2010 is as follows:

	US\$
Revolver facility	3,000,000
Term loan facility	41,000,000