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ASX RELEASE

21 JANUARY, 2010

CAPITAL RAISING AND EXTENSION OF LOAN AGREEMENT TO FUND ACCELERATED DRILLING PROGRAM

Dear Shareholder,

Impress and its Joint Venture partners have agreed to pursue a more aggressive drilling campaign than originally planned during 2010 within the PEL104, PEL111 and PRL15 licence areas located on the Western Fairway of the Cooper Basin. This agreement allows for the drilling of up to 12 new wells during 2010 – a more than doubling of the program previously envisaged by Impress as outlined in our release to the ASX in September 2009. Utilising the valuable information gained from the Mollichuta 3D seismic survey the accelerated drilling program, which comprises a mix of development, appraisal and exploration wells, will commence in February 2010 using Century Rig 2. The program aims to further increase the already high discovery success ratio of the Joint Venture and is expected to provide a significant increase in reserves and to also facilitate increased production beyond the 3000 barrels per day (gross) previously targeted by the end of 2010.

Impress has decided to fund the accelerated drilling program through the placement of shares to sophisticated investors in tandem with a Share Purchase Plan (SPP). Additionally, the Company has reached agreement with the Smith Group of companies to extend the date for repayment of principal on their current loan agreement to Jan 2011 keeping the size of the required capital raising to a practical minimum.

The key features of the proposed capital raising are summarised below:

Placement

The Company is in the process of finalising a Placement to sophisticated investors of 60,000,000 shares at 5.0 cents to raise a total of \$3,000,000 (excluding associated fees).

Share Purchase Plan (SPP)

In addition to the Placement it is targeted to raise a further \$3,000,000 by way of a SPP under which shareholders will be offered the opportunity to subscribe for shares on the same terms as the Placement. Up to \$2,500,000 of this targeted amount will be underwritten as further explained overleaf.

Under ASX Listing Rule 7.1 a company must not issue or agree to issue securities representing more than 15% of the number of fully paid ordinary securities on issue for the preceding 12 month period without shareholder approval. ASX Listing Rule 7.2 provides exceptions to ASX Listing Rule 7.1. ASX Listing Rule 7.2 (exception 15) states that an issue of securities does not require shareholder approval under a share purchase plan if the number of securities issued is not more than 30% of the number of fully paid ordinary securities already on issue ('30% Rule'). The 30% Rule limits the number of shares available to the Company for issue under the proposed SPP to 240,055,906 shares.

Also, no one shareholder may acquire more than \$15,000 worth of shares under such a plan in any consecutive 12 month period.

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To help ensure compliance with the above ASX requirements the Board has determined that under the SPP the Company will offer eligible shareholders the opportunity to acquire additional shares in your Company, with no additional brokerage costs, as follows:

No of Shares	Cost
25,000	\$1,250
50,000	\$2,500
100,000	\$5,000
200,000	\$10,000
300,000	\$15,000

The issue price will be fixed at the same price as the Placement, at 5.0 cents per fully paid ordinary share.

The Company advises that the record date for the SPP ("Record Date") will be 5.00pm (Perth WA time) on Thursday 21 January 2010.

SPP application forms and eligibility criteria are expected to be mailed to Impress shareholders on or about Friday 29 January 2010.

The SPP offer closes 5.00pm (Perth WA time) on Friday 19 February 2010. The Directors of the Company reserve the right to change the closing date of the SPP offer and no late applications will be accepted.

Underwriting

The only manner in which the Company could ensure that funds of at least \$2,500,000 are raised by the SPP was for it to be underwritten. Messrs Eddie Smith and John Gillon (who are directors of the Company) and a group of sophisticated investors have agreed to underwrite the SPP for which they will receive a fee of 3%. However, under the ASX Listing Rules Messrs Smith and Gillon cannot underwrite the SPP unless their underwriting is approved by shareholders. The ASX Listing Rules only permit directors to underwrite pro rata issues to shareholders without shareholder approval.

If there is a shortfall from the SPP, though the Company can issue the shares underwritten by the sophisticated investors, the part of the underwriting by Messrs Smith and Gillon, as related parties, would require shareholder approval. In this situation Messrs Smith and Gillon will advance their portion of the shortfall by way of a loan to the Company while the underwriting arrangement is put to shareholders for approval. It is more than likely that the shortfall for the SPP will be known before the Company will be able to obtain shareholder approval for Messrs Smith and Gillon underwriting the SPP.

In the event that shareholders do not approve Messrs Smith and Gillon underwriting the SPP then any advances made to the Company to fund the shortfall will be repaid from a pro rata issue which Messrs Smith and Gillon will underwrite.

Extension of Loan Facility

Impress currently has a loan facility in place with the Smith Group of companies ('Smith Group'), a group associated with Company Chairman Mr Eddie Smith, for an amount up to \$3.5 million, of which \$2.6 million has been previously drawn down by Impress, and under which repayment of principal was due to commence in January 2010. By negotiation with the Smith Group it has now been agreed with Impress that for a one-off fee of \$15,000 the commencement of principal repayments for the loan facility may now be deferred until January 2011 whilst also retaining the option, if required by Impress, to draw down the remaining \$0.9 million. The Board believes that this revised agreement is a prudent arrangement for Impress that helps minimise the equity dilution of the proposed capital raising without unduly increasing the risk associated with the loan facility.

Commenting on the capital raising Impress Chairman Eddie Smith said:

“The capital raising represents a prudent course of action by the Company to help fund an aggressive and exciting development, appraisal and exploration drilling program in our Cooper Basin Western Oil Fairway permits PEL 104, PEL 111 and PRL 15 where considerable success has been achieved over the last 2 years at a number of locations and in particular at the Growler and Snatcher Fields.

The funds raised will be utilised to finance an accelerated drilling campaign that will hopefully bolster Impress’ position as a significant oil producer in the Cooper Basin and help achieve production rates of over 3000 BOPD for the Joint Venture.

The increase in net revenues that we hope will eventuate from the proposed drilling campaign should enable Impress to consolidate its enviable position as a growing independent oil producer and provide a springboard for the next phase of Company growth.”

For further information please contact Eddie Smith, Chairman or Ernie Myers, Company Secretary on 08 9214 2500.