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SUBSTANTIAL SHAREHOLDER INCREASES STAKE IN IMPRESS

On 30 November 2010 one of our substantial shareholders, Victoria Petroleum NL ("VicPet") advised that it had increased its shareholding in Impress Energy Limited ("Impress") to 15.94% and that it intended to further increase this shareholding to 19.9% of Impress by on market purchase. On 1 December 2010 VicPet further announced that it had increased its interest in Impress to 20%.

Impress announced to the market on 22 November that Impress was entering into a merger agreement with Beach Energy Limited ("Beach"), via a scheme of arrangement ("Scheme") that is fully supported by the Board of Impress, whereby Beach would offer a cash consideration of 8.25 cents for each fully paid Impress share. It is anticipated that the Scheme will be presented to a meeting of shareholders for approval in March, 2011.

In the cover letter to each of the substantial shareholder notices to Impress from VicPet, the latter advised that VicPet's current intention would be to vote against the Scheme at the shareholder meeting but would not, in the meantime, be seeking to increase its shareholding beyond 20%.

In respect of the above, the Impress Board notes that the on market purchase by VicPet of Impress shares has been at an average price which is below the offer from Beach. Impress notes that VicPet advised that it is not proposing to make an offer for the balance of the shares in Impress.

It is the current intent of Impress, in the absence of a superior offer, to continue with its support of the Scheme and with the preparation of the Scheme documentation.

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