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IMPRESS ENERGY LIMITED

ASX ANNOUNCEMENT: BEACH ON-MARKET OFFER

IMPRESS BOARD RECOMMENDS ON-MARKET CASH OFFER FROM BEACH

The Board of Impress Energy Limited ("Impress") wishes to announce that it has received and is recommending an on-market cash takeover offer of 8.5 cents per share from Beach Energy Limited ("Beach") ("Offer").

Beach has launched the unconditional cash offer for Impress shares it does not already own as a replacement to the previous proposal to merge the two companies through a Scheme of Arrangement.

Under the terms of the Offer, the merger proposal is withdrawn by mutual consent of both companies and replaced by a straight cash offer that will allow all Impress shareholders to receive 8.5 cents for each of their shares immediately.

Impress Directors unanimously recommend that shareholders should accept the Beach offer in the absence of a superior proposal.

In addition, Impress Directors have also entered into agreements under which they have sold to Beach a significant portion of their holdings. In making the Offer, Beach now holds a direct 19.9% stake in Impress.

Beach has made the Offer after statements by Impress shareholder Victoria Petroleum NL ("VicPet") that it had built a 20% stake in Impress, would vote against the proposed merger with Beach and in seeking to block the merger would not itself make an alternative offer.

This situation could have seen Impress shareholders miss out on the opportunity to monetise their investment.

Impress Chairman Eddie Smith said the Beach takeover offer would deliver an opportunity for all Impress shareholders to capture the underlying value of their shares.

“The offer incorporates a small but meaningful increase in the consideration over the merger proposal and gives all of our shareholders the opportunity to monetise their investment in Impress at a substantial premium to the price the Company has been trading at prior to Beach announcing its interest in acquiring the Company,” said Mr Smith.

“We are recommending Beach’s offer to shareholders and, as Directors, we intend to accept for the shares we control in the absence of a superior offer.”

“Given the actions of VicPet and the high probability its vote would render the Scheme of Arrangement redundant, we are very pleased that Beach has stepped in to offer our shareholders an opportunity to secure a strong price for their shares.”

Given the replacement of the merger proposal with the cash offer, Beach and Impress have agreed to release each other from all obligations contained in the Merger Implementation Agreement.

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