





ACHIEVING CRITICAL MASS IN THE OIL & GAS INDUSTRY November 2010

IMPERIAL CORPORATION LIMITED - SYDNEY

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Executive Summary



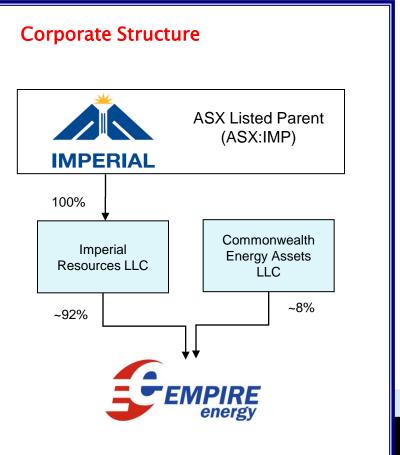
	Imperial Corporation is an ASX listed company, focussed on oil and gas development in the USA through its 92% owned subsidiary, Empire Energy USA, LLC						
	Strategy	 Balanced program of acquisitions Low risk development of acquired land base Selective exploitation drilling funded from cash flow Identify medium to long term, early entry exploration opportunities 					
	Board & Management	 Bruce McLeod - Executive Chairman & President Empire Energy David Sutton, Non-executive director Kevin Torpey, Non-executive director Dr David Kahn - Advisor to Board Dr John Warburton - Advisor to Board 					
	Recent Acquisitions / Divestitures	 Dec 2009 - US\$38mm acquisition: +1,800 gas wells PA & NY Attractive acquisition price, ~US\$0.47/Mcfe (1P Reserves) Land ~303,000 acres Jun 2010 - Sold small PA Marcellus acreage to raise US\$24.6 mm 					
	Current Portfolio and potential upside	 ~77 bcfe 1P Reserves Current gross Production +7.5 mmcfepd Est Field EBITDDA 2010 =~US\$8.5mm pa Exposure to US shale including NY Marcellus and Utica 					

Imperial Corporation Snapshot



Capital Structure

Proforma Consolidated as at 1 Nov 2010				
Shares on issue (SOI)	162.3 mm			
Share Price	A\$0.09			
Market Capitalisation	A\$14.6mm			
Cash & liquids (pre 2010 tax)	~A\$17.2 mm			
Debt	A\$31.3 mm			
Enterprise Value	A\$28.7mm			
Total Assets	A\$103 mm			
6 month VWAP	A\$0.08			
Options Outstanding (av. strike price = \$0.15)	33.7mm			
Liquidity (Volume/SOI)	44%			
Acquisition & Development Credit Facility	US\$150 mm			



* Macquarie Bank holds warrants to take up 10% of issued capital

Business Strategy

Imperial Corporation Balanced Business Model



BUILD A LOW RISK E&P BUSINESS

Empire Energy – operating vehicle for oil & gas developments

Balance oil and gas production portfolio of assets

Immediate focus – build oil production to balance production portfolio (see next slide)

Initial Target 1,500 Bbls/day

Aggregation Strategy to Create Multiple Layers of Value

Acquire small operators &/or assets being sold off by larger independents

UVells often not maintained so easy & cheap rehabilitation in first years of operation

Current Benefits / Attractions of aggregation strategy

Attractive acquisition multiples over period of <u>restricted credit</u> for small E&P companies

Ability to build upside potential through expanding reserves and resources at low cost

Generate non-core assets for re-sale and capital accumulation

GENERATE VALUE FOR SHAREHOLDERS BY:

Selective utilisation of US\$150mm Credit Facility with Macquarie Bank
 Expand *IMPERIAL / EMPIRE ENERGY* into a ~US\$300mm E&P business
 Develop dividend generating structure
 Capital returns to shareholders via Empire Energy IPO or strategic sale

Imperial Corporation Project Focus



OPERATIONS AND CURRENT NEGOTIATIONS

Empire Energy – Natural Gas production operations in North East USA

Consolidation/expansion of gas production in current region of operation

Empire Energy / Imperial - <u>Negotiating oil focused transactions</u>:

Acquisition – Texas – oil/condensate and gas production and development (Wilcox)

□ Mid Continental - Kansas Uplift (Arbuckle), oil production farm-in and acquisition

Australian strategy – large scale shale oil & gas exploration

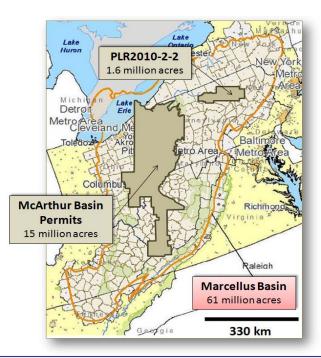
□ Identified two basins in Northern Territory and Queensland with relatively easy access. Native Title requirements to be meet

14.6mm acres secured in Northern Territory (McArthur Basin) and 1.6mm acres under application in NW Queensland

Exploration Play – 1,640mm year old Palaeo-Proterozoic organic rich black shales.

Proven to be gas-prone in NT Basin (one mineral core hole ignited and sustained a 6m high gas flare for several months). In addition oil bleeds have been reported.

Both high risk/high return frontier plays at very low historic exploration maturity



Empire Energy

Empire Energy Highlights



Imperial Corporation holds a ~92% interest in Empire Energy (neg to increase to 100%)

MULTIPLE GAS PLAYS

- ~313,000 gross acres with average working interest of ~95%
- 4 or 5 potentially stacked plays across the Appalachia Basin
 - Shallow Marcellus, NY (+100,000 acres); Utica, NY (~50,000 acres); Theresa, NY (~30,000 acres); Medina, NY (~190,000 acres) and Trenton Black River, NY (~81,000 acres)
 - □ 4P ~1.2 Tcfe (unrisked)
- □ Operating ~2,000 long life, slow decline gas wells (3-4% average decline rates)
- 40 employees in NY & PA
- +400 shallow Proved locations (<4,500ft)
- 180 miles 2D seismic in NY for re-interpretation
- Forecast Field EBITDA (2010) ~US\$8.5mm net to Empire Energy, with no additional development

HEDGING

- Active policies: interest rates and gas production
- ~70% production @ \$6.32 / Mcf for 5 years

CAPITAL STRUCTURE

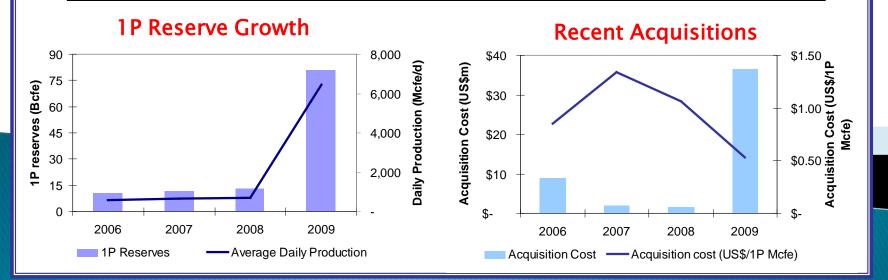
- US\$8mm equity committed
- US\$15mm cash (pre 2010 tax)
- US\$150mm Credit Facility with Macquarie Bank drawn to ~US\$30mm

Empire Energy

History

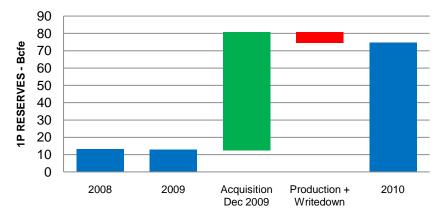


2006	 Imperial entry into oil & gas industry via low risk Appalachia JV - 20 wells Formed Empire Energy
2007	Empire Energy initial US energy acquisition US\$9.4mm
2008	Completed US\$100mm E&P credit facility for Empire Energy
2009	 Empire Energy second acquisition US\$38mm Additional development loan facility of US\$50mm
2010	 Independent assessment for ~385,000 ac shale reserves commenced Sold small Marcellus acreage for US\$24.6 mm Identified 2 potential US oil & gas acquisitions Developing additional shale oil/gas opportunities outside USA



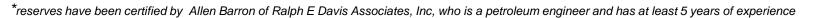
Empire Energy Reserves (as at 1 July 2010*)

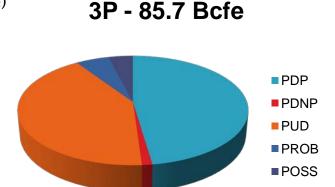
- Estimated Production $(2010) = \sim 2.3$ Bcfepa (net to Empire)
- Production 7,500 Mcfe/day
- Lifting Costs \$1.68 / Mcfe
- Field EBITDDA 2010 US\$8.5 mm
- Ownership (PDP only)
 - **•** Mayville WI = 93%, NRI = \sim 79%
 - **u** Hawthorne WI = 84%, NRI = \sim 73%
- Empire Energy operator of ~99% of all assets
- Total Land Acres = ~313,000 (gross)
- □ Undeveloped acreage: WI = ~95%
- +400 PUD locations



1P RESERVES - Y/E JUNE

Reserve			Net OII	Net Gas	PV10
Category	Wells	NRI %	Mbbls	MMcf	\$M
PDP	1,637	83%	18.3	40,786.0	\$45,798
PDNP	31	83%			\$ 1,811
PUD	372	81%		35,790.0	\$13,679
TOTAL 1P	2,040	82%	18.3	77,651.4	\$61,288
PROB	59	87%		4,669.0	\$ 410
POSS	25	77%		3,366.0	\$ 1,507
TOTAL 3P	2,124	82%	18.3	85,686.4	\$63,205



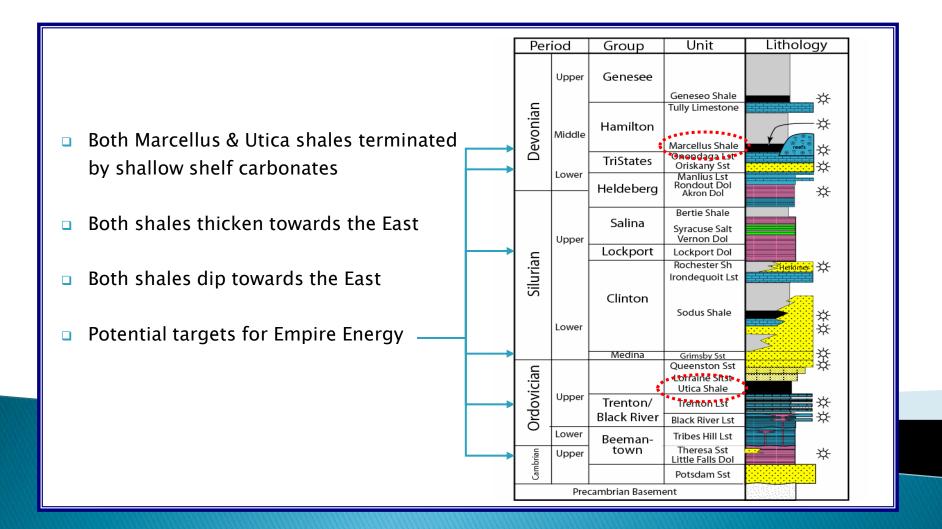




Asset Overview

Empire Energy Oil and Gas Targets





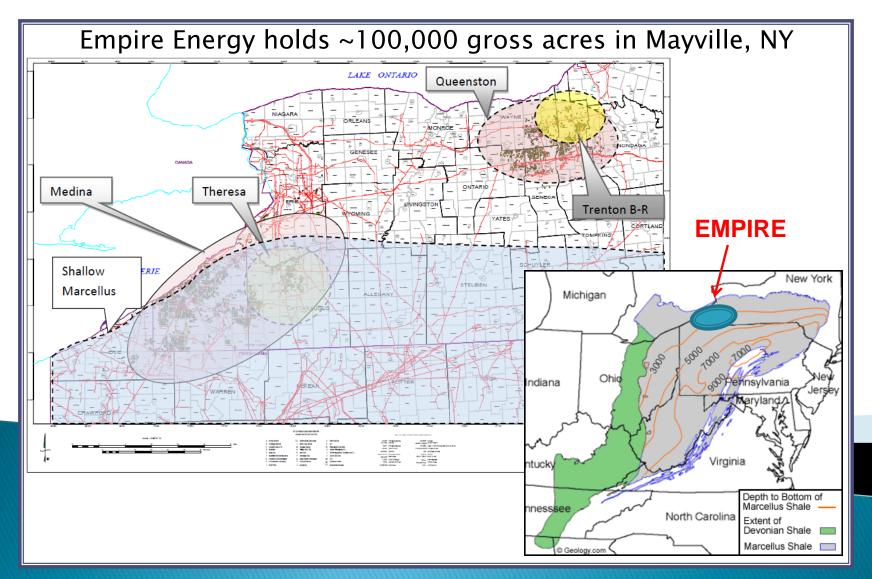
Marcellus Shale



 Empire holds significant acreage in the Marcellus shale play Shallow Marcellus, NY (~100,000 gross acres) Marcellus shale is: One of the largest, most economic shale plays in USA Covers a total area of 95,000 Mi² over 6 states 262 Tcf technically recoverable resources* 	Ohio Barnett 5,000 MP W. Virginia New York FayettevIlle 74,000 MP Gore Marcellus 35,000 MP Haynesville 10,000 MP Pennsylvania The Marcellus area of 95,000 Mi ² , (indicated by blue dash line) is larger than the four major US shale plays
 Located at the gateway to attractive northeastern markets and premium pricing (~\$0.15/mmbtu premium to Henry Hub Pricing) 	Source: Enerplus March 2010 Shale 'Learning Curve' \$4.00 \$3.00 \$3.00
 Competitive development and production costs Learning curve of higher EUR, IP and lower drilling costs 	Completion Costs (US\$m) Completion Costs (US\$m) Costs (US\$m] Costs (US\$m) Costs (US\$m) Costs (US\$m) Costs (US\$m) Costs (US\$m) Costs (US\$m) Costs (US\$m] Costs (
* US Dept of Energy Report April 2009	2007 2008 2009 Last 21 wells Completion costs — Test rate Source: Range Resources March 2010

Empire Energy Marcellus Shale

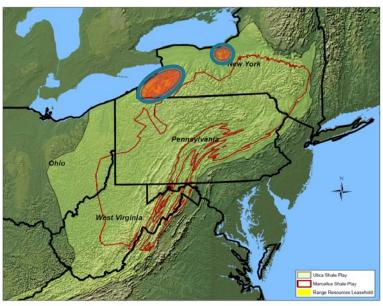




Empire Energy Utica Shale Fairway



- Utica shale is prospective throughout Empire acreage
- ~50,000 Utica Shale gross acres
- Black Utica Shale is 200' to 400' in thickness
 Depth 2,000ft to 5,000ft
- Utica success in Quebec, Canada
- Gas has low H₂S or CO₂; pipeline ready reduces processing costs
- 3 vertical Utica wells being drilled in
 Otsego County, NY by Gastem & Utica Energy



Empire Energy ~180,000 gross acres

Empire Energy Operating Opportunities

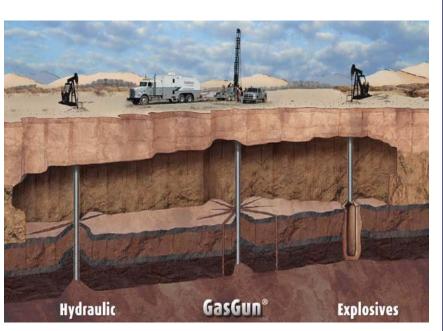


Development Program

- Empire has ~1,500 wells that penetrate the NY Marcellus shale
- Where close spacing, Empire seeking to utilise
 'GasGun' to fracture tight gas/shale formations
- If successful, costs reduced compared to hydraulic fracs
- Medina and other lower, tight sandstones and co-mingle gas opportunities
- Estimated 80,000 acres to utilise technology

Field Services

- Empire has ~825 miles of gathering & pipeline networks with many being reworked after years of neglect
- Seeking to acquire ~200 miles of pipeline from regional utility to enable control of more gas production
- NY production +6% over av 2009 production due to pipeline control and management of wells
- Operate own water trucks, drilling rigs, earth moving and pipe laying equipment





Senior Management



Bruce McLeod - Executive Chairman, Imperial Corp

Background in Corporate and Resource Capital markets since mid 1980's. Managed and/or raised over \$1.5 bn in project, property development and portfolio funds. Recently, as a director of Imperial established brown fields mineral sands JV in the Murray Basin, Australia (Imperial 25%). In early 2000's merged mineral sands JV interest into Bemax Resources Limited which ultimately secured 100% of the mineral sands JV and developed as world's 5th largest mineral sands producer. Bemax acquired in 2008 at an TEV ~\$480 million. Formed Empire Energy in late 2006.

Bill Waller - Chairman & Co-CEO , Empire Energy

Involved with oil and gas exploration, development drilling, lease acquisition, land management and marketing for +35 years, including Sun Oil Company. Initial Appalachian Basin experience as Senior Executive with Consolidated Natural Gas Company, responsible for doubling CNG's leasehold position to 4,000,000 acres. Helped build Somerset Oil & Gas Inc into an Appalachian natural gas operator with over 2,200 wells, 200,000 acres for development drilling, transportation networks and drilling operations. Sold to EOG Resources in 2002.

Al Boyer - SVP & COO, Empire Energy

Involved in the natural gas business for +40 years. Operates over 40 privately owned wells. In early 2000's involved in a well drilling program (200 wells in 20 months) and the consolidation of field operations for Somerset Oil & Gas Inc until its takeover by EOG Resources. Has drilled 1,000's of wells in western PA, NY, OH and WV.

Dr David Kahn, BE, ME, PhD (Chem. & Petroleum) - Advisor

15 years of diverse experience in the petroleum industry. During the past seven years he has been a principal in companies focused on developing strategies for exploiting unconventional oil and gas assets. He has developed expertise in property evaluations, and development, strategic planning, reservoir engineering with particular emphasis on enhanced oil recovery. Worked for Baker Hughes, Halliburton, Texaco E&P, Gastem and others.

Dr John Warburton, B.Sc. (Geo Sciences), PhD (Structural Geo), FGS, MAICD – Advisor

27 years of technical experience in the International Petroleum Industry in Europe, Middle East, Kazakhstan, Azerbaijan, Pakistan, PNG, North & West Africa, Australia, New Zealand, SE Asia & China. Includes 11 years for BP, 4 years for LASMO/Eni in Pakistan and 3 years Regional Manager-West Africa with Roc Oil Co.

The information in this announcement which relates to reserves is based on information compiled by Ralph E Davis Associates Inc, Houston, Texas, certified professional engineer's with over 40 years experience.

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