

25 October 2004

Quarterly Report for the period ending 30 September 2004

HIGHLIGHTS FOR THE QUARTER

- Cooper Basin drilling program commenced
- Gas discovery at Hornet
- Oil discovery at Ventura
- “Company maker” Canberra prospect to commence in late October

EXPLORATION ACTIVITY

Cooper basin drilling program PEL 115, 104 and 111 (15% working interest)

Impress Ventures Ltd has a 15% working interest in six blocks in the South Australian section of the Cooper/Eromanga Basin of South Australia. The drilling program commenced in PEL 115 in late August with the Hornet Prospect. Following the success at Hornet drilling continued with the Ventura prospect, an oil discovery and drilling will continue with the Canberra prospect in late October. Further drilling in PEL 115 has been proposed but is subject to Joint Venture approval.

In PEL 111 and 104 negotiations are continuing in an effort to secure a rig to drill in the blocks.

PEL 115, 15% working interest

Hornet 1

Drilling commenced on August 24 at the Hornet prospect and a total depth of 2,727 metres was reached on 18 September 2004. Evaluation of wireline logs and other data have indicated a number of potentially productive gas zones in the primary target Patchawarra Formation from 2,460 – 2,690 metres. The interval is interpreted to contain up to 30 metres of net pay. Impress considers that the lower sands from approximately 2,660 metres to total depth have the best porosity and following conclusion of the 2004 drilling program testing of the well will be undertaken.

The Hornet prospect was a 3D seismic controlled feature in the center of the permit 8 kms to the north east of the giant 1 trillion cubic feet Toolachee gas field. Hornet has significant upside gas reserves potential if the stratigraphic component of the target Permian Patchawarra Formation traps hydrocarbons. The upside recoverable gas potential is in excess of 25 BCF of gas while the four way closure has potential for 11 BCF. The possible presence of basal sands at Hornet, which do not appear to be present to the west at the Allambi well, suggests that the stratigraphic component of

the prospect may well be present however this will only be confirmed by testing which was still to be undertaken.

Ventura 1

The Ventura 1 well commenced drilling on October 5 and reached a total depth of 1,984 metres on 19 October.

Oil was recovered on drill stem test (DST) in the Murta Formation after testing the section from 1,319 to 1,345 metres. A total of 2 bbls of 59 degree API oil was recovered with no evidence of water.

Following further drilling oil shows were then encountered in the McKinlay-Namur sandstone and a subsequent DST of the interval from 1,364 to 1,377 metres recovered 42 bbls of clean 52.9 degree API oil with no signs of water.

Following electric logging, sidewall cores and analysis of mud log data an interpreted gross 10 metre oil column is present in the McKinlay/Namur section with up to 3.5 metres of net oil pay. Preliminary analysis of the DST data suggests the well has the potential to produce approximately 340 barrels per day on pump.

All the analyses to date indicate that the well will be a commercial producer and ultimate reserves will require additional testing and drilling as the oil column sits on rock and the extent of any down dip oil cannot be determined from the current data.

This discovery has upgraded the other prospects in the area (Mirage, Lightning, Vigilant) and further detailed work will now be carried out on these features with a view to future drilling.

Canberra Prospect

The Canberra Prospect is expected to commence drilling in late October.

Located approximately 6 kms to the north west of Ventura, Canberra will test a significant oil and gas target in the Permian sands of the Patchawarra Formation at a depth of approximately 2,200 metres.

The Canberra Prospect has been interpreted to contain up to 160 billion cubic feet of gas and 4 million barrels of oil in a seismically defined stratigraphic trap. The prospect also has a significant “spectral anomaly” associated with the seismic data which can indicate the presence of hydrocarbons and such anomalies are known to occur in gas fields in the Surat Basin, Queensland and at the Turbridgi Gas Field, onshore Carnarvon Basin.

The Canberra Prospect, if successful, would open up a new exploration play within PEL 115 and would result in a number of other similar prospects being drilled.

PEL 104/PEL 111, 15% working interest

In the two northern permits, PEL 104 and PEL 111, negotiations are continuing for a rig slot to drill one or two wells in these northern permits. The demand for rigs and services is extremely high and obtaining a rig slot may be difficult prior to the onset of summer rains in December which can cause considerable problems for rig movements. In the event that the joint venture is successful in obtaining a slot then drilling is expected to commence with either the Catalina or Wirraway prospects.

The Catalina prospect is located approximately 8 kilometres north east of the Fly Lake oil and gas field. Catalina is a low risk closed feature with potential in the Permian section to contain recoverable reserves of 25 BCF of gas and 4 million bbls of oil. Its proximity to the producing Fly Lake oil and gas field enhances the features prospectivity.

In PEL 104 the Wirraway Prospect was delineated by the recent seismic survey. It is located updip and to the west of the Callabonna well which recovered oil from the Jurassic section. Wirraway is a large prospect with the ability to hold recoverable reserves of up to 13 million bbls of oil.

Evaluation work is ongoing on all the above prospects and this work is needed to fine tune the features such that the most optimum drill location is chosen. Final decisions on the work program are still subject to obtaining a rig slot and may change as further information and data are interpreted.

In all the above cases the oil and/or gas reserves mentioned are only valid if hydrocarbons are present in the structures.

PEL 86, 87 and 89, COOPER BASIN, SOUTH AUSTRALIA, 15% WORKING INTEREST

There was no activity in the permits during the quarter.

PEP 38728, ONSHORE NEW ZEALAND,

The permit was relinquished in August, 2004.

PEP 38716, ONSHORE NEW ZEALAND, 5.48571% WORKING INTEREST

A Joint Venture meeting to be held in November will determine the future work program for the area.



For further information, please contact **Douglas Jendry, Managing Director** on **(08) 9214 2500**.

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

Impress Ventures Limited

ABN

15 009 212 319

Quarter ended ("current quarter")

30 September 2004

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(333)	(333)
(b) development	-	-
(c) production	-	-
(d) administration	(233)	(233)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	46	46
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Management and Office Income	57	57
Net Operating Cash Flows	(463)	(463)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(463)	(463)
1.13 Total operating and investing cash flows (brought forward)	(463)	(463)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares (net of raising costs), options, etc.	-	-
1.15 Proceeds from sale of forfeited shares	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(463)	(463)
1.20	Cash at beginning of quarter/year to date	3,788	3,788
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,325	3,325

Note 1.: Impress share of the cash balance from the various joint ventures has not been included.

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'000
1.23	Aggregate amount of payments to the parties included in item 1.2	51
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

All transactions involving Directors and Associates were on normal commercial terms.

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.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil.	Nil.
3.2	Credit standby arrangements	Nil.	Nil.

Estimated cash outflows for next quarter

\$A'000

4.1	Exploration and evaluation	500
4.2	Development	Nil.
Total		500

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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	45	99
5.2 Deposits at call	3,280	3,689
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,325	3,788

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	PEP 38728	Working Interest	5.49%	0%
		EP 414	Working Interest	20.1%	0%
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>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	187,366,923	187,366,923		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.4	Changes during quarter				
	(a) Increases through issues	-	-		
	(b) Decreases through returns of capital, buy-backs	-	-		
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter				
	(a) Increases through issues	-	-		
	(b) Decreases through securities matured, converted	-	-		
7.7	Options <i>(description and conversion factor)</i>	-	-	<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 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).
- This statement does ~~not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: Date: 25/10/2004
 (Director/Company secretary)

Print name: A L Meloncelli

Notes

- 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.
- 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.
- 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.

+ See chapter 19 for defined terms.

- 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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