

15 July 2004

Quarterly Report for the period ending 30 June 2004

HIGHLIGHTS FOR THE QUARTER

- Cooper Basin drilling expected to commence in August
- Minimum five wells planned
- Healthy cash position of \$3.8 million

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 Cooper/Eromanga Basin of South Australia. A minimum five well drilling program is expected to commence with two wells in PEL 115 in August 2004. The six well program is expected to be completed by the end of the year.

There has been some delay in commencing the program due to the lateness of seismic recording and processing as well as unseasonal rains. Delineation of a number of prospects has been completed and subject to Joint Venture approval Impress expects the following wells to be drilled as part of the program.

Two wells in PEL 115

Drilling is expected to commence in mid-late August with the Hornet prospect, a robust 3D 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 next well in the PEL 115 program is expected to be Ventura, a large four way closed feature to the south west of the Narcoonowie oil field. The primary objective is oil in the Jurassic and gas in the Permian section with the prospect having the potential to hold recoverable reserves of up to 9 million bbls of oil and 58 BCF of gas in the Permian section.

Depending on the results of Ventura there are several follow up prospects with a similar geological signature that could be drilled and it is expected that a decision would be made quickly if Ventura were successful.

Two wells in PEL 104, one well in PEL 111

In the two northern permits, PEL 104 and PEL 111, drilling is expected to commence in PEL 111 in October with the Catalina prospect 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 first well is expected to be Spectre, an updip test of the Spectre 1 well, which flowed gas from the Patchawarra Formation and had good oil shows from the Tirrawarra section. The feature is a low risk test of the Permian section with the potential to hold recoverable reserves of up to 15 BCF of gas and 2 million bbls of liquids.

The final well in PEL 104 is expected to be Wirraway, a prospect 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 with some seismic recording and reprocessing still to take place. 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 agreement by the Joint Venture 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, 5% WORKING INTEREST PEP 38716, ONSHORE NEW ZEALAND, 5.48571% WORKING INTEREST

During the quarter a preliminary report on the prospectivity of both permits was produced and outlined a number of areas with significant exploration potential. Further work is required however to mature any prospects for drilling and it is expected that further seismic will need to be acquired.

For further information, please contact **Douglas Jendry, Executive Chairman 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 June 2004

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|-------------------------------------|
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for (a) exploration and evaluation | (98) | (677) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (184) | (786) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 50 | 146 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other – Management and Office Income | 70 | 233 |
| Other – Refund Rent | - | 7 |
| Net Operating Cash Flows | (162) | (1,077) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | (18) |
| (c) other fixed assets | - | (2) |
| 1.9 Proceeds from sale of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | 182 |
| (c) other fixed assets | - | - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other | - | - |
| Net investing cash flows | - | 162 |
| 1.13 Total operating and investing cash flows (carried forward) | (162) | (915) |
| 1.13 Total operating and investing cash flows (brought forward) | (162) | (915) |
| Cash flows related to financing activities | | |
| 1.14 Proceeds from issues of shares (net of raising costs), options, etc. | - | 2,784 |
| 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 | - | 2,784 |
| | Net increase (decrease) in cash held | (162) | 1,869 |
| 1.20 | Cash at beginning of quarter/year to date | 3,950 | 1,919 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 3,788 | 3,788 |

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 | 75 |
| 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 | 400 |
| 4.2 | Development | Nil. |
| Total | | 400 |

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 | 99 | 65 |
| 5.2 | Deposits at call | 3,689 | 3,885 |
| 5.3 | Bank overdraft | - | - |
| 5.4 | Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | | 3,788 | 3,950 |

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 | | | |
| 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

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|------|--|---|---|-----------------------|--------------------|
| 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

- 1 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).
- 2 This statement does ~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: Date: 15/07/2004
 (Director/Company secretary)

Print name: A L Meloncelli

Notes

- 1 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.
- 2 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.
- 3 **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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