

28 January 2004

Quarterly Report for the period ending 31 December 2003

HIGHLIGHTS FOR THE QUARTER

- Oil and gas discoveries by other explorers enhances Impress' Cooper Basin acreage
- Further funds raised
- Healthy cash position of approximately \$4.3 million
- Andracurie seismic survey to commence in late January

FUND RAISING

During the quarter and in early January Impress placed a total of 74,225,000 fully paid shares to raise a total of \$2,884,500. This has left the Company with an extremely healthy cash position of approximately \$4.3 million as at of today.

COOPER BASIN ACTIVITY

Drilling activity has been busy during the latter half of 2003 and early 2004 with discoveries made by other junior explorers at Worrior, Kiwi and recently, Yarrow and Flax. The continuing string of successes by the juniors in the ex-Santos acreage is particularly encouraging for Impress as its interests in the six ex-Santos blocks are continually being upgraded by these discoveries.

Impress and its joint venture partners intend to drill five wells in permits PEL 104 (2 wells), PEL 111 (1 well) and PEL115 (2wells).

The timing of the wells will be governed by the recording and subsequent interpretation of the Andracurie seismic survey in PEL 104 and 111 as well as by the availability of rigs. The Operator has secured the services of an experienced Cooper Basin drilling engineer and rig contract discussions are underway.

It is expected that drilling will commence some time in the second quarter of 2004 with hopefully an April time slot for the first well. Depending on the rig situation there is a possibility that different rigs will be used for the PEL 104, 111 program and the PEL 115 program due to different depth requirements.

Impress is pleased to be involved in exploring this highly prospective area and is particularly pleased with the recent drilling success at Yarrow and Flax. Comments in the press by the Yarrow/Flax operator that they are considering building a new gas plant has added a further interesting dimension to what is without doubt going to be a very exciting exploration year for all Cooper Basin explorers.

EXPLORATION ACTIVITIES

PEL 104, COOPER BASIN, SOUTH AUSTRALIA, 12.5% WORKING INTEREST

In early May, 2003, Impress' wholly owned subsidiary, Springfield Oil and Gas Pty Ltd, entered into a farmin agreement for the onshore Cooper Basin permit PEL 104.

PEL 104 covers 1,069 square kms and is located immediately adjacent to the Tirrawarra Oil field, Australia's largest onshore oil field with estimated reserves of 70 million bbls and 340 billion cubic feet of gas. Also adjacent is the Fly Lake Oil and Gas field and the permit surrounds the Callabona oil discovery. In August 2002 the Sellicks 1 well located 30 kms south of PEL 104 flowed 2,160 barrels of oil per day and in early July 2003 the Christies 1 well was declared commercial with an 18 metre oil column.

Impress considers the permit is highly prospective for both gas and oil in both the Permian and Jurassic sequences that are highly productive in the Cooper/Eromanga Basin.

Impress' initial study of the Block has outlined in excess of ten prospects and leads that are anticipated to require only further minor seismic evaluation to evaluation to become drillable and this is the purpose of the Andracurie seismic survey.

Preparations for the recording of the Andracurie seismic survey commenced on 15 January with line clearing and surveying. It is expected that recording will commence in the next two weeks.

PEL 111

PEL 111 lies to the north of and adjacent to, PEL 104 and covers 1,185 square kilometres. The Charo oil discovery is contained within the block. Impress' initial evaluation has identified at least 10 leads and prospects and a seismic survey planned for December in PEL 104 has now been extended to include PEL 111. Depending on rig logistics it is probable that the PEL 111 well will be drilled following the two PEL 104 wells.

PEL 115

PEL 115 is located on the south eastern edge of the Cooper Basin and covers 1,106 square kilometres. The permit is 'broken up' into six separate areas and surrounds the oil and gas producing fields at Dullingari, Toolachee, Strezelecki, Della and Kidman.

The block represents one of the lowest risk areas for exploration in the Cooper Basin. Impress' initial studies of available data have identified over 30 leads and prospects with both oil and gas potential. The proximity to infrastructure suggests that the economic viability of any exploration success is assured.

The area is covered with an excellent modern grid of 2D and 3D seismic such that no further seismic is required, at this stage, to mature the two prospects for drilling in the second quarter of 2004 depending upon rig availability.

PEL 86, 87, 89

These three permits cover a total of 13,500 square kilometres and lie to the north and west of permits PEL104/111.

The blocks cover a huge area of underexplored but prospective Eromanga Basin sediments and drilling density is low with only three wells having been drilled.

There are no drilling commitments on the blocks.

Impress is continuing to evaluate various opportunities in the area as and when they become available.

PEP 38728, ONSHORE NEW ZEALAND, 5% WORKING INTEREST

Evaluation of the Permit is continuing and a budget and work program being established to submit to the NZ authorities.

PEP 38716, ONSHORE NEW ZEALAND, 5.49% WORKING INTEREST

A budget and work program have been submitted to the NZ authorities that includes the acquisition of seismic and further evaluations of the Huinga well.

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")

31 December 2003

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(311)	(347)
(b) development	-	-
(c) production	-	-
(d) administration	(217)	(415)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	27	46
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Management and Office Income	47	120
Other – Refund Rent	-	7
Net Operating Cash Flows	(454)	(589)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(18)	(18)
(c) other fixed assets	(2)	(2)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	170	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	150	162
1.13 Total operating and investing cash flows (carried forward)	(304)	(427)
1.13 Total operating and investing cash flows (brought forward)	(304)	(427)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares (net of raising costs), options, etc.	1,489	1,489
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	1,489	1,489
	Net increase (decrease) in cash held	1,185	1,062
1.20	Cash at beginning of quarter/year to date	1,796	1,919
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,981	2,981

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

Note 2.: Impress issued 34,000,000 fully paid ordinary shares at 4 cents each raising \$1,360,000 in January 2004.

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	84
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.

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	200
4.2	Development	Nil.
Total		200

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	162	44
5.2	Deposits at call	2,819	1,752
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		2,981	1,796

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	PEL 104	12.5%	15.0%

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	153,366,923	153,366,923	

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.4	Changes during quarter				
	(a) Increases through issues	16,900,000	16,900,000	3.5 cents	3.5 cents
	(b) Decreases through returns of capital, buy-backs	23,325,000	23,325,000	4 cents	4 cents
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~~ ^{not} *(delete one)* give a true and fair view of the matters disclosed.

Sign here: Date: 28/01/2004
 (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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