

July 29, 2005

Quarterly Report for the period ending 30 June 2005

HIGHLIGHTS FOR THE QUARTER

- Impress increases stake in Cooper basin to 27.5%
- Production test confirms Mirage potential
- 3D seismic expected to commence in September
- New Zealand Oru 1 well to drill in September

CORPORATE ACTIVITY

Subsequent to the end of the quarter, on the 14th July, 2005, Impress Ventures Ltd announced that it has signed a conditional agreement to increase its interest in the six Cooper Basin exploration and production permits PEL 86, 87, 89, 104, 111 and 115 from 15% to 27.5%.

ITC has agreed to purchase the extra interests from Tacnas Pty Ltd (Tacnas), a fellow joint venturer, under certain conditions:

- The agreement calls for ITC to pay \$500,000 in cash and to pay to the joint venture account the outstanding cash calls owed by Tacnas estimated to be approximately \$500,000.
- In addition Tacnas will receive 35,000,000 shares in ITC and a \$200,000 convertible note valid for two years and convertible at 8 cents per share.
- Further payments are to be made upon certain recoverable reserve milestones being met.
- The agreement is subject to execution of a formal written agreement, shareholder approval and due diligence.

ITC is pleased to increase its interest in these highly prospective areas especially as we will be receiving income shortly from the recommencement of long term production at the Mirage and Ventura fields. The 27.5% interest provides a meaningful interest in the exploration and production areas.

PRODUCTION ACTIVITY

PEL 115, Cooper Basin, South Australia, 27.5% working interest (subject to certain conditions being satisfied)

The long term production test commenced with the Mirage 1 well on 24 April.

The purpose of the test is to gain knowledge of the production characteristics of the Mirage Field, to assist in determining ultimate reserves and help in placement of development wells.

To 1430 hrs on 12 June, 2005 the well has produced 11,010 barrels of oil in 50 days for an average of 220 barrels of oil per day. The choke size has been reduced over this period from 19/64ths to 13/64ths to maintain a wellhead pressure of approximately 60psi. The latest flow rate was 188 barrels per day on 12 June. There has been no evidence of water production to date.

Due to heavy rains and road closures the well was shut in on 12 June but the Operator has advised that tanker access and production commenced on July 27.

The results to date are encouraging with the well continuing to flow clean oil at approximately 200BOPD. The well would produce more under artificial lift but the test is being undertaken under controlled parameters to gain the best data to enable efficient development of the field and accurate reserve estimations.

Pumping and tank equipment has been purchased and is being modified prior to installation at the Mirage site.

Construction of the Ventura production facility and pumping system is expected to commence on 27 July and be completed by the end of August, weather permitting. The Mirage permanent production facility will be constructed after Ventura. The pumps purchased each have a nominal capacity of 300 bbls per day. It is expected that the initial combined production rate for the two wells will be approximately 450 to 500 bbls per day of oil.

It is possible that a flowline may be built from Ventura to Mirage to reduce operating costs and streamline production.

EXPLORATION ACTIVITIES

PEL 115, Cooper Basin, South Australia, 27.5% working interest (subject to certain conditions being satisfied)

The 3D seismic survey has been delayed by rain and is now expected to commence in late September. Following interpretation of the seismic a number of development locations will be chosen and it is expected that at least two development wells will be drilled late in 2005. There is a two well drilling commitment for PEL 115 prior to May next year and it is expected that the 3D survey will outline at least two more oil prospects for drilling.

The location of the two commitment wells will be determined after the seismic results are known. One of the two wells to be drilled may be in the northern part of the block where a number of prospects have been identified.

Future Exploration Program PEL 104/111

The PEL104/111 area covers over 2,200 square kilometers of highly prospective Jurassic and Permian oil and gas targets to the west and north of large currently producing oil and gas fields.

Recent discoveries to the south at Christies, Sellicks and Paranta have significantly upgraded the potential of the area. Only three wells have been drilled in PEL 104 and of these two have interpreted bypassed gas pay and the other had oil shows.

To date over 19 leads and prospects have been identified in these two adjacent permits. Seismic was recorded in 2004 and outline a number of oil prospects, however it was decided that to accurately define and mature the prospects for drilling, further seismic is being recorded in Early September, 2005.

Following interpretation the joint venture will select four prospects for drilling.

The timing of the drilling is subject to securing a suitable rig with the ability to drill several wells 'back to back' to reduce mobilization costs. The current demand for rigs and associated equipment has left a severe shortage of suitable rigs in the area. The Operator is continuing to source rig slots and we expect to be able to drill late in 2005 or early 2006.

PEL 86, 87 and 89, Cooper Basin, South Australia, 27.5% working interest (subject to certain conditions being satisfied)

There was no activity in the permits during the quarter.

PEP 38716, Onshore New Zealand, 6.84736% Working Interest

The permit was renewed for a further year with the requirement to drill a well by 2006. Impress increased its interest after two parties withdrew to 6.84736%.

The joint venture has made a decision to drill the Oru Prospect during the third quarter of 2005 and it is expected to commence in September.

Oru is a seismically defined prospect with closure and potential for accumulations in the Mako Sandstone and Mt Messenger Formation.

Mapping suggests that the prospect has the ability to hold up to 7 million bbls of oil and 14 BCF of associated gas if hydrocarbons are present in the structure.

Heron Resources/INCO Kalgoorlie Nickel Project (KNP)

Impress Ventures Ltd was previously called Merritt Mining NL and was involved in mineral exploration in Western Australia during the 1990's.

The company had an interest in a number of nickel tenements known as Siberia Tank that were eventually sold to Centaur in exchange for a 10% free carried interest to production. The tenements are Prospecting Licences 24/3179 to 24/3184 inclusive.

The leases were subsequently acquired by Heron Resources Ltd.

On 29 March, 2005 Heron Resources Ltd announced it had signed a letter of intent to enter into a joint venture with Inco Limited to develop the Kalgoorlie Nickel Project. The Impress Venture leases are possibly part of the proposed project.

Heron Resources has indicated that it will provide further information to ITC some time after July 31, 2005 and upon receipt of that information the company will seek independent advice as to the potential value of the interest.

For further information, please contact **Douglas Jendry, Chief Executive 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 2005

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from oil and gas sales	10	10
1.2 Payments for (a) exploration and evaluation	(12)	(1,661)
(b) development	-	-
(c) production	-	-
(d) administration	(265)	(895)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	22	130
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Management and Office Income	82	274
Net Operating Cash Flows	(163)	(2,142)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	(18)
(c) other fixed assets	-	(11)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	81	81
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	81	52
1.13 Total operating and investing cash flows (carried forward)	(82)	(2,090)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(82)	(2,090)
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	-	-
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	(82)	(2,090)
1.20	Cash at beginning of quarter/year to date	1,780	3,788
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,698	1,698

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	76
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.

+ See chapter 19 for defined terms.

	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	1,100
4.2 Development	-
Total	1,100

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	40	58
5.2 Deposits at call	1,658	1,722
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,698	1,780

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)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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		
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).

+ See chapter 19 for defined terms.

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

Sign here: Date: 29/07/2005
(~~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.
- 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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