

April 19, 2006

Quarterly Report for the period ending 31 March 2006

HIGHLIGHTS FOR THE QUARTER

- *Increased Cooper Basin JV interest from 27.5% to 40%*
- *Mirage and Ventura Fields continue production*
- *Mirage Phase 1 Appraisal Program completed with three wells drilled and cased ready for Production evaluation*
- *First 2006 wildcat, Lightning 1, will spud in April 2006*

PRODUCTION ACTIVITIES

PEL 115, Cooper Basin, South Australia, 40% working interest

- Mirage Oil Field

The Mirage 1 well has been on continuous production since July 27, 2005. The well is currently producing via beam pump at a rate of approximately 290 barrels of oil per day.

To March 31 the well has produced approximately 75,000 barrels of oil.

- Ventura Oil Field

The Ventura well commenced 24 hour operation on 11 October, 2005.

The well is currently producing approximately 40 barrels of oil per day.

The well has produced approximately 15,000 barrels of oil to 31 March 2006.

- Mirage Oil Field Phase 1 Appraisal Activities

Appraisal of the Mirage Oil Field commenced with the Mirage 2 well located approximately 500 metres north east of Mirage 1.

The well commenced drilling on 31 January, 2006 and reached a total depth of 1,655 metres on 16 February. The objective Murta Formation exhibited oil shows and two cores were cut from 1,322 to 1,337 metres. The well was cased ready for production and is currently awaiting pumping equipment to determine the productivity of the well.

Mirage 3, located 400 metres north of Mirage 2 commenced drilling on 27 February, 2006 and reached a total depth of 1,661 metres on 10 March. The well had oil shows

in the Murta Formation and a subsequent Drill Stem Test (DST) over the interval 1,317-1,330 metres recovered 27 barrels of oil over a two hour period. The well was cased ready for production and is currently awaiting pumping equipment.

Mirage 4, located 700 metres south east of Mirage 1, commenced drilling on March 19, 2006 and reached a total depth of 1,447 metres on 30 March. The well Encountered oil shows in the Murta Formation and a DST over the interval 1,319-1,330 metres recovered 3 barrels of oil cut mud. The well was cased for production and is awaiting the arrival of pumping equipment for further evaluation.

- Results of the Mirage Oil Field Phase 1 Appraisal Program

The three well appraisal program has confirmed the existence of oil saturated Murta Formation over the four wells drilled to date. Each of the wells appears to have a common Lowest Known Oil (LKO) which, after examination of the 3D seismic data set is below the current 'spill point' mapped for the Mirage structure.

The LKO, when extrapolated onto depth mapping of the 3D seismic data, indicates that there is the possibility that a closed area of some 20 square kilometres exists broadly to the east of the current producing Mirage Field.

This area has been termed the 'Greater Mirage' structure and is to be evaluated by the Lightning 1 well (spudded on 7 April 2006) and Jindivik 1 well. In the event that Lightning 1 proves the existence of oil at the same Murta horizon as is present at Mirage, then it can be extrapolated that the Murta Formation in the whole area of 'Greater Mirage' could be oil saturated and have the possibility of containing 23 million barrels of oil in place.

This would be an exciting development for Impress as this would represent a considerable recoverable reserve net to Impress' 40% working interest. If the 'Greater Mirage' field is proven then it is likely an ongoing development program over several years will be required to fully exploit the reserves.

EXPLORATION ACTIVITIES

Jindivik and Lightning Structures

The Jindivik and Lightning structures lie to the east of Mirage. Jindivik is approximately 2 kilometres to the north-east while Lightning lies about 3 kilometres to the east.

Structural closure has been confirmed at both prospects and they both have favourable seismic attribute characteristics indicating reservoir in the Murta Formation. In addition they lie in a favourable position to receive oil charge from the source areas to the north and there is the strong possibility that other objective horizons such as the Birkhead and Hutton Formations have also received oil charge.

Lightning 1 will be drilled prior to Jindivik-1 and is being deepened to test a separate closure at the level of the Patchawarra Formation which is the principal reservoir sequence in the giant Toolachee Field located approximately seven kilometres to the north.

PEL 104 and 111, Cooper Basin, South Australia, 40% working interest

There are four wells to be drilled in the PEL 111 and 104 permits with the current rig.

These wells will be Jurassic oil tests located to the west of Australia's largest onshore oil field at Tirrawarra.

To date prospects and leads are recognised at Growler, Catalina, Ascender, Gannet, Liberator, Wirraway and Eagle. Further seismic was recorded during late 2005 at Wirraway, Ascender and Gannet to mature the prospects to drillable status. The final drill locations will be determined during April and the rig is expected to arrive in the area after the PEL 115 drilling and a rig assignment in approximately June/July, 2006.

PEL 86, 87 and 89, Cooper Basin, South Australia, 40% working interest

There was no activity in the permits during the quarter.

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 announced that it is part way through a drilling program and it is expected that the results will determine the future of the project. Upon receipt of further information the company will seek independent advice as to the potential value of the interest.

CORPORATE ACTIVITIES

Increased interest in Cooper Basin JV

Impress Ventures Limited (by way of wholly owned subsidiary Tacnas Pty Ltd) on 25 January 2006 increased its interest in the Cooper Basin JV (PEL 86, 87, 89, 104, 111 and 115) from 27.5% to 40% with the purchase of Entek Energy Limited's (Entek) 12.5% interest. This increased holding places the consolidated entity with a meaningful holding of 40% interest in the Cooper Basin JV.

Unfortunately the shine has been taken off the Entek deal with the Entek Directors deciding to withhold a small balance of oil revenue (USD \$36,000 approximately) incorrectly posted to its account following "Completion" of the Sales Agreement.

In a strange determination it is Entek Directors opinion, this oil revenue post "Completion" becomes the property of Entek. Prior to the "Completion" oil revenue from Entek's 12.5% interest was offset against the various JV cash calls, with Impress responsible for the balance. This action by Impress from October 2005 to 25 January 2006 kept the 12.5% interest in good standing.

The Company issued 93,342,598 fully paid ordinary shares during the March 2006 quarter, consisting of:

Shares Issued	Price	Total
22,000,000	5 cents	\$1,100,000 – January 2006
36,342,598	6 cents	\$2,180,555 – January 2006
35,000,000		Issued to Entek for 12.5% interest
93,342,598		

For further information, please contact on technical matters **Robert Hall, Chief Executive on (08) 9214 2500** and on corporate matters **Eddie Smith, Chairman on 0418 927 091**.

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 March 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from oil and gas sales	1,232	1,678
1.2 Payments for (a) exploration and evaluation	(686)	(1,354)
(b) development	(965)	(2,171)
(c) production	-	-
(d) administration	(520)	(1,016)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	40	82
1.5 Interest and other costs of finance paid	(20)	(32)
1.6 Income taxes paid	-	-
1.7 Other – Management and Office Income	51	182
Other	30	36
Net Operating Cash Flows	(838)	(2,595)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(76)	(89)
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	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.12	- Payment for acquisition Tacnas Pty Ltd	-	(500)
	- Payment for acquisition – Entek (12.5%) net of cash	(1,500)	(1,500)
	- Cash inflow from increase of Cooper Basin JV	286	286
	- Cash inflow from consolidation of Tacnas Pty Ltd	-	64
	- Rental Bond	-	(14)
	- Loan from related party – Elcos Pty Ltd	(134)	-
	Net investing cash flows	(1,424)	(1,753)
1.13	Total operating and investing cash flows (carried forward)	(2,262)	(4,348)
1.13	Total operating and investing cash flows (brought forward)	(2,262)	(4,348)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares (net of raising costs), options, etc.	3,048	5,771
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Convertible notes issued (net of expenses)	-	475
	Net financing cash flows	3,048	6,246
	Net increase (decrease) in cash held	786	1,898
1.20	Cash at beginning of quarter/year to date	2,967	1,855
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,753	3,753

Note 1:

- Oil Sale Receivables (Mirage/Ventura – 40% interest) for the consolidated entity was \$466,524 (inc GST) as at 31 March 2006.
- Oil Sales for the consolidated entity for the March 2006 quarter was \$1,090,808 (ex GST).

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	110
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

+ See chapter 19 for defined terms.

- 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

On 25 January 2006, the Company acquired a 12.5% interest in PEL 86, 87, 89, 104, 111 and 115 from Entek Energy Limited. 35,000,000 fully paid ordinary shares, \$1,500,000 cash and 5,000,000 unlisted options with an exercise price of 8 cents and expiry date of 27 January 2008 was the consideration.

- 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

As above.

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	2,700
4.2 Development	500
Total	3,200

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	68	28
5.2 Deposits at call	3,685	2,939
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,753	2,967

Changes in interests in mining tenements

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	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	PEL 86	Working interest	27.5%	40%
		PEL 87	Working interest	27.5%	40%
		PEL 89	Working interest	27.5%	40%
		PEL 104	Working interest	27.5%	40%
		PEL 111	Working interest	27.5%	40%
		PEL 115	Working interest	27.5%	40%
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	374,959,921	374,959,921	
7.4	Changes during quarter			
	(a) Increases through issues	22,000,000	22,000,000	5 cents
		36,342,598	36,342,598	6 cents
		35,000,000	35,000,000	Issued for Entek Acquisition – 12.5%
	(b) Decreases through returns of capital, buy-backs	-	-	Issued for Entek Acquisition – 12.5%
7.5	+Convertible debt securities			
	<i>(description)</i>	4	-	Note term to 9 September 2007 - \$50,000 per note.
		10	-	Note term to 11 September 2007 - \$50,000 per note.

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Appendix 5B
Mining exploration entity quarterly report

7.6	Changes during quarter				
	(a) Increases through issues	-	-		
	(b) Decreases through securities matured, converted	-	-		
7.7	Options (description and conversion factor)	5,000,000	-	<i>Exercise price</i> 8 cents	<i>Expiry date</i> 27 January 2008
		5,000,000	-	7 cents	31 December 2006
		15,000,000	-	12 cents	31 March 2007
		15,000,000	-	16 cents	31 March 2008
		5,000,000	-	20 cents	31 March 2008
7.8	Issued during quarter	5,000,000	-	<i>Exercise price</i> 8 cents	<i>Expiry date</i> 27 January 2008
		5,000,000	-	7 cents	31 December 2006
		15,000,000	-	12 cents	31 March 2007
		15,000,000	-	16 cents	31 March 2008
		5,000,000	-	20 cents	31 March 2008
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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: 19/04/2006
(~~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.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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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