

October 28, 2005

Quarterly Report for the period ending 30 September 2005

HIGHLIGHTS FOR THE QUARTER

- Impress increases stake in Cooper basin to 40%
- Ventura and Mirage oil fields on continuous production
- 3D seismic completed
- Rig contracted for 6 well programme commencing January, 2006
- New Zealand Oru 1 well to drill in late October

CORPORATE ACTIVITY

Subsequent to the end of the quarter, on the 18th October, 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 27.5% to 40%.

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

- The agreement calls for ITC to pay \$1,500,000.
- In addition Entek will receive 35,000,000 shares in ITC and 5,000,000 options convertible at 8 cents in to ordinary ITC shares for a period of two years.
- ITC to be responsible for any cash calls for the permits from 14th October 2005.
- The agreement is subject to execution of a formal written agreement, shareholder approval, various joint venture and government approvals.

ITC is extremely pleased to increase its interest in these highly prospective areas especially as the company is receiving income from the production at Mirage and Ventura oil fields. The 40% interest is now equivalent of that of the Operator and provides a meaningful interest in the exploration and production areas.

ITC will now be looking forward to becoming a much more active and constructive partner in the Cooper Basin joint venture. To assist with this increased technical and management input, the company is looking to employ specialists, either in a consulting or employee role, to manage our interest. In addition these additional people will assist in broadening the company's horizons beyond the Cooper Basin.

PRODUCTION ACTIVITY

PEL 115, Cooper Basin, South Australia, 40% working interest (subject to certain conditions being satisfied)

Mirage Oil Field

The Mirage 1 well has been on continuous production since July 27, 2005. The well has been producing under natural flow with the wellhead pressure being maintained at approximately 60 psi. On 26 October the well was producing at a rate of 152 barrels per day.

To increase the production a beam pump is being installed and is expected to commence operation in late October. The production rate is anticipated to increase to approximately 300 barrels per day.

The interpreted recoverable reserves for the Mirage Oil Field, using currently available data is a range from a mean of 1.3 million bbls to a maximum of 3.6 million bbls. This reserve number will become more defined as production continues and the results of 3D seismic survey become available in late November.

The results to date are encouraging and a rig has been contracted to drill a three well appraisal/development program commencing in January, 2006. The location of the wells will be determined after analysis of the 3D seismic program that was recorded in September, 2005.

Ventura Oil Field

After some initial difficulties in setting up the pumping system the Ventura well commenced 24 hour operation on 11 October, 2005.

The well is currently producing approximately 130 barrels of oil per day.

There are no plans at this stage to drill an appraisal well on Ventura however the results of the 3D seismic survey, which are expected in November, may indicate that the Ventura well is not located in the optimum position. In that event a second well will be considered.

The Operator has indicated that interpreted recoverable oil reserves for the McKinlay/Namur Formation of the Ventura Oil Field, using the current available information is a range from a mean of 150,000 bbls to a maximum of 1.59 million bbls. Long term production is required before such a range can be narrowed sufficiently to provide a meaningful reserves picture.

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

The objective of the appraisal and development program at Mirage is to raise production to a gross 1,000 barrels of oil per day from the five wells (one at Ventura and four at Mirage). From a financial perspective that would give Impress' 40% interest a gross monthly cash flow of A\$820,000 assuming a conservative oil price of US\$50 per barrel.

EXPLORATION ACTIVITIES

PEL 115, Cooper Basin, South Australia, 40% working interest (subject to certain conditions being satisfied)

The 3D seismic survey run over the Mirage and Ventura Oil fields also covered three features, recognised on the 2D seismic data, at Lightning, Lancer and Jindivik.

It is anticipated that at least two of these three features will be matured for drilling by the 3D seismic survey. The rig that will drill the three Mirage development wells will then be employed to drill at least one of these features in late first quarter of 2006.

In addition an exciting prospect, Tomcat, has been developed in the northern part of PEL 115. The Tomcat prospect lies to the north of a well, Wilpinnie 3 that produced over 780 barrels per day of oil on test. The analysis suggests that there is the potential to get significantly updip from Wilpinnie with the Operator's current mapping indicating the potential for up to 16 million bbls of oil being present in the prospect. Approximately 13 million bbls is present within PEL 115, if hydrocarbons are present. The Joint Venture is very excited about the potential of Tomcat and is currently negotiating to secure a rig for drilling the prospect in early 2006.

PEL 104/111, Cooper Basin, South Australia, 40% working interest (subject to certain conditions being satisfied)

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 at Fly Lake and Tirrawarra.

Recent discoveries to the south at Christies, Sellicks, Nutmeg 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 was required. This was acquired in September and October of this year and is currently being interpreted.

Following interpretation the joint venture will select at least three prospects for drilling using the rig contracted to drill the development and exploration wells in PEL 115. The drilling program of three wells is anticipated to start in the second quarter of 2006.

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

Drilling of the Oru Prospect is expected to commence in late October, 2005.

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 September 2005

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from oil and gas sales	131	131
1.2 Payments for (a) exploration and evaluation	(123)	(123)
(b) development	(867)	(867)
(c) production	-	-
(d) administration	(195)	(195)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – Management and Office Income	67	67
Other	6	6
Net Operating Cash Flows	(962)	(962)
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 - Payment for acquisition Tacnas Pty Ltd	(500)	(500)
- Cash inflow from consolidation of Tacnas Pty Ltd	48	48
Net investing cash flows	(452)	(452)
1.13 Total operating and investing cash flows (carried forward)	(1,414)	(1,414)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,414)	(1,414)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares (net of raising costs), options, etc.	1,496	1,496
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	475
	Net financing cash flows	1,971	1,971
	Net increase (decrease) in cash held	557	557
1.20	Cash at beginning of quarter/year to date	1,855	1,855
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	2,412	2,412

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	88
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

The company acquired 100% of Tacnas Pty Ltd on 13 September 2005 (12.5% working interest in PEL 86, 87, 89, 104, 111 and 115) in consideration issued 35,000,000 fully paid ordinary shares and \$200,000 of unsecured convertible notes (10% per annum) – term to 9 November 2007 to Zappia Nominees Pty Ltd. Cash calls (current and outstanding) of \$710,728 were paid/settled by the consolidated entity from 13 September 2005 to 30 September 2005 in respect to Tacnas Pty Ltd.

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

+ See chapter 19 for defined terms.

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	250
4.2 Development	450
Total	700

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	36	40
5.2 Deposits at call	2,376	1,815
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,412	1,855

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	PEL 86, 87, 89, 104, 111 and 115	Working interest.	15%	27.5%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	255,617,323	255,617,323		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	33,250,400 35,000,000 -	33,250,400 35,000,000 -	4.5 cents 4 cents (Tacnas)	4.5 cents 4 cents (Tacnas)
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	4 10 -	- - -	Note term to 9 September 2007 - \$50,000 per note. Note term to 11 September 2007 - \$50,000 per note.	
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>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)		
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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 ~~not~~ *(delete one)* give a true and fair view of the matters disclosed.

Sign here: Date: 28/10/2005
(~~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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