



ABN 15 009 212 319

## **QUARTERLY ACTIVITIES & CASHFLOW REPORT**

**For the period ended 30 June 2009**

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### **HIGHLIGHTS FOR THE QUARTER**

- **Growler Oil Field production averaging 920 BOPD (facilities constrained).**
  - **Growler Central Facility: 2000 BFPD upgrade completed by late June 2009. Production testing is underway to optimise field production rates. In early July field production had increased to 1150 BOPD, primarily through an increased choke size being applied to Growler-5. Growler-3 will also have an increased choke applied during July.**
  - **Mollichuta 3D seismic processing to be completed late July 2009, with interpretation planned to be completed late in the September Quarter.**
  - **Snatcher-1 has been drilled in PEL 111. The well encountered a 14 metre oil column in the objective Birkhead Formation reservoir over the interval 1772 metres MD to 1786 metres MD. The well has been cased and suspended for later completion as an oil well, which is expected to occur in the third quarter of 2009.**
  - **The Joint Venture agreed to drill Snatcher-2, 900 metres to the northwest of Snatcher-1. The well should spud during July.**
  - **The company completed a successful capital raising of \$5.9 million through a rights issue to shareholders and through a placement to sophisticated investors.**
  - **Mr Eddie Smith has temporarily stepped down from his position as Executive Chairman due to illness. To ensure the Company business continues to be effectively managed, the Exploration Manager, Mr Greg Smith has assumed executive responsibility for the company and is acting as an alternate for him on the Board.**
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## REVIEW OF OPERATIONS

With the success of Snatcher-1, and completion of the upgrade of the Growler Central Facilities, Impress' future resource and production base in the "Western Oil Fairway" of the Cooper Basin continues to mature.

Commenting on the June Quarter results, Impress Acting Chief Executive Greg Smith said:

**"Impress is gaining attention from investors as a company that more than satisfies the general criteria for investors in the small cap part of the oil and gas sector and this attention has been reflected in the recent appreciation in the share price.**

**Impress is being viewed as a company which has a very strong growth upside, both from exploration and from increased oil production. The successful rights issue and increased cash flow from the Growler Field has placed the company in a strong financial position to progress the commercialisation of the oil potential of the western fairway**

**Our cost structure is low and at the current oil price and exchange rate, the Growler Field production is very profitable.**

**Once the recently acquired 3D seismic in the Western Margin has been interpreted later this year, we are confident the market will more than appreciate our belief in the concept that apart from the recent Wirraway, Warhawk, Tigercat and Growler and, now Snatcher, oil discoveries, the Western Margin will emerge as a major new oil province in the Eromanga Basin.**

**I am also sure that shareholders will wish Mr Eddie Smith a speedy and full recovery from his recent illness. "**

## PRODUCTION AND DEVELOPMENT

### **PPL 213 Mirage & PPL 214 Ventura (Impress40%)**

Mirage and Ventura oilfields produced during the quarter gross 7480 barrels of oil (net to Impress 2992 barrels of oil).

### **PRL 15 Growler Oilfield (Impress 40%)**

Production for the quarter averaged 890 BOPD, with production mainly from three wells, Growler 3, 4 and 5, all on free flow with restricted chokes. The Growler Oilfield produced 81,111 barrels of oil (net to Impress 32,445 barrels of oil) during the quarter.

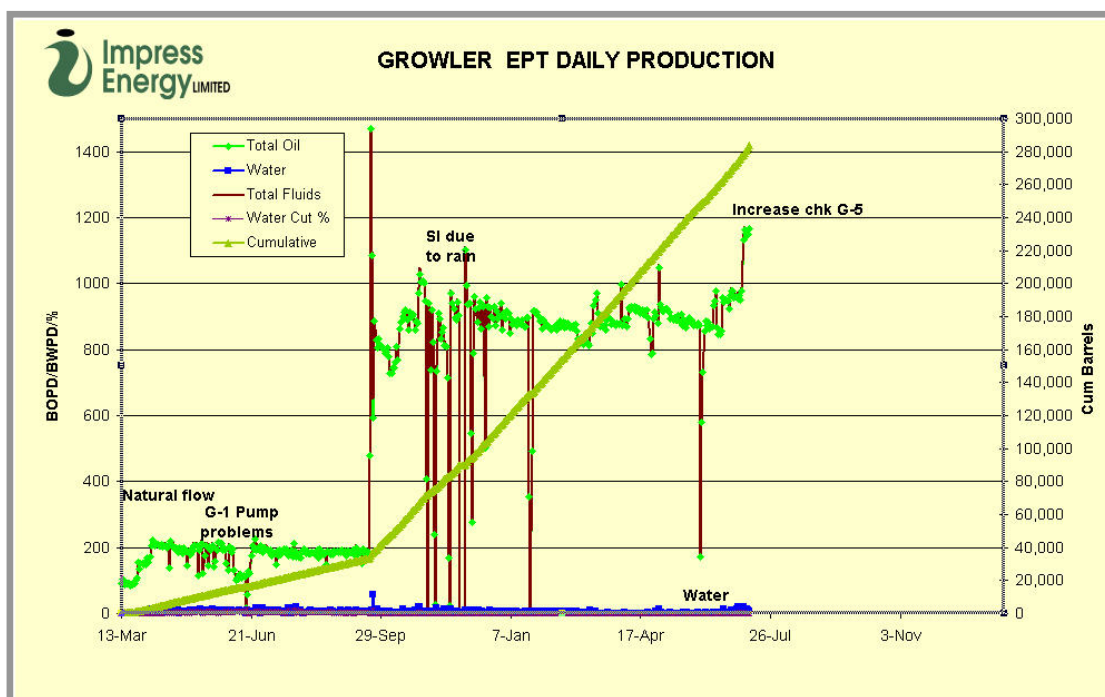
Total Growler Oilfield production from March 2008 is now in excess of 280,000 barrels. Production continues with minimal water cut as shown on the graph.

During the quarter the facilities upgrade at the Growler Production facility was completed. The upgrade included additional storage for oil and provision for increased water handling once the wells start to produce some water, as all oil wells do. In addition improvements have been made to the accommodation for the operators and haulage



contractors and the truck load out facility. In all, the upgraded facility has the capability to handle up to 2000 barrels of fluid a day.

During the next month the operator will undertake a testing program to determine the optimum flow rates for each well. In early July, for example, the choke size at Growler-5 has been increased from 9/64 inches to 11/64 inches which led to a production increase from 300 BOPD to 528 BOPD. This production increase is shown on the graph.



**EXPLORATION**

**Seismic Programme PEL 104, PEL 111, PRL 15 (Impress 40%)**

With the completion of the acquired PEL 104, PEL 111 and PRL 15 Mollichuta 3D seismic program, the Joint Venture is now processing the data gained from the field work. The final interpretation of this data is planned to be completed by the end of the September Quarter.

The 268 square kilometre survey represents a very significant investment towards the realisation of the value of the Western Oil Fairway and is expected to provide clear appraisal and exploration drilling targets for the fields already discovered and the numerous prospects which have been recognised on the existing 2D seismic data. A small amount of the planned survey area was not recorded due to Aboriginal Heritage issues, but this is not expected to affect the overall survey results.

**Snatcher-1 Exploration Well PEL 111 (Impress 40%)**

Snatcher-1 was drilled using Century Drilling rig 3. The well spudded on the 14<sup>th</sup> June 2009 and reached total depth of 1880 metres on the 30<sup>th</sup> June. The well encountered the primary Birkhead reservoir objective with good oil shows over a 14 metre interval from 1772 metres to 1786 metres. An attempt to test the reservoir by an open hole drill stem test was mechanically unsuccessful, but subsequent wireline logging and sampling confirmed the oil column and a sample of 48 degree oil was recovered. The well has been cased and suspended for subsequent completion using a cheaper work over rig.

The Joint Venture subsequently agreed to move the Century rig to drill an additional exploration well, Snatcher-2, which will test a different sandstone body to that found in Snatcher-1.

Snatcher-2 will spud during July and is located approximately 900 metres to the northwest of Snatcher-1.

Both wells have been credited against the work commitments for PEL 111. The Joint Venture has also agreed to fast track an extended production test of Snatcher-1 and Snatcher-2, if successful.

## CORPORATE

### Funding

The company completed a successful capital raising of \$5.9 million through a rights issue to shareholders and through a placement to sophisticated investors through the allocation of 196,963,256 shares at a price of 3 cents per share. There were no underwriting costs associated with the issue. The funding has placed Impress in a sound position to continue the exploration and development program in the Western Oil Fairway.

### Board Changes

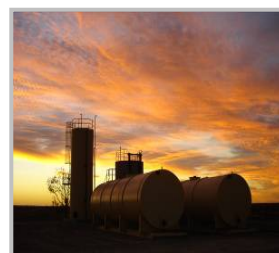
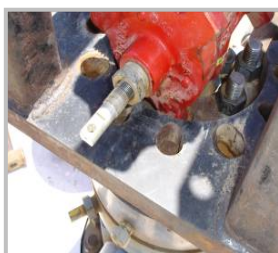
Mr Eddie Smith has temporarily stepped down from his position as Executive Chairman due to illness. To ensure the Company business continues to be effectively managed, the Exploration Manager, Mr Greg Smith has assumed executive responsibility for the company and is acting as an alternate for him on the Board.

### For Inquiries, please contact Greg Smith:

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**Email:** [info@iel.com.au](mailto:info@iel.com.au)

For further information on Impress' current activities visit our website at [www.iel.com.au](http://www.iel.com.au)



# 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 Energy Limited

ABN

15 009 212 319

Quarter ended ("current quarter")

30 June 2009

### Consolidated statement of cash flows

#### Cash flows related to operating activities

1.1	Receipts from product sales and related debtors		
1.2	Payments for		
	(a) exploration and evaluation	(1,117)	(5,189)
	(b) development	(314)	(3,577)
	(c) production	(1,165)	(3,606)
	(d) administration	(196)	(861)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	12	108
1.5	Interest and other costs of finance paid	(94)	(284)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Other – Management and Office Income	2	6
	Other – Technical fees (Nett)	(24)	(122)
	Other - GST	(31)	67
	<b>Net Operating Cash Flows</b>	<b>(582)</b>	<b>(5,822)</b>

	Current quarter \$A'000	Year to date (12 months) \$A'000
	2,345	7,636
	(1,117)	(5,189)
	(314)	(3,577)
	(1,165)	(3,606)
	(196)	(861)
	12	108
	(94)	(284)
	2	6
	(24)	(122)
	(31)	67
	<b>(582)</b>	<b>(5,822)</b>
<b>Cash flows related to investing activities</b>		
1.8	Payment for purchases of:	
	(a) prospects	
	(b) equity investments	
	(c) other fixed assets	
	(2)	(2)
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	Other (provide details if material)	
	<b>Net investing cash flows</b>	<b>(2)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(584)	(5,824)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	5,831	7,431
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		2,600
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	5,831	10,031
<b>Net increase (decrease) in cash held</b>			
1.20	Cash at beginning of quarter/year to date	2,012	2,980
1.21	Exchange rate adjustments to item 1.20	(87)	(15)
1.22	<b>Cash at end of quarter</b>	7,172	7,172

**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	57
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
Nil		

**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
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- 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
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+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1a Loan facilities (Smith Loan) Aug 2008	2,000	2,000
3.1b Extension facilities (Smith Loan) Jan 2009	1,500	600
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1a Exploration and evaluation	1,715
4.2 Development	1,187
<b>Total</b>	<b>2,902</b>

### 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	6,531	1,296
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Cash advanced to joint ventures	641	715
<b>Total: cash at end of quarter</b> (item 1.22)	<b>7,172</b>	<b>2,011</b>

### 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			

+ 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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	796,186,358	796,186,358		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	205,296,589	205,296,589	3 cents	3 cents
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	4	-	Note term to 9 September 2010 – (\$50,000 per note).	
	5	-	Note term to 11 September 2010 – (\$50,000 per note). <i>(Three year extension on all convertible notes was approved by shareholders at AGM 26 November 2007)</i>	
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	5	-		
7.7 <b>Options</b> <i>(description and conversion factor)</i>	5,000,000	-	<i>Exercise price</i> \$0.055	<i>Expiry date</i> 1 December 2009

+ See chapter 19 for defined terms.

7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## 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~~<sup>\*</sup> (delete one) give a true and fair view of the matters disclosed.

Sign here:   
(~~Director~~/Company secretary)

Date: 16 July 2009

Print name: Ernest Anthony Myers

## 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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+ See chapter 19 for defined terms.