

2 July 2004

Manager Announcements
Companies Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000



via electronic lodgement

Dear Sir/Madam,

ACTIVITIES UPDATE

Homerun #1

The Company has identified three zones totalling approximately 138 net feet that it believes will warrant testing. The Operator is in the process of finalizing a detailed analysis of the electric logs and will shortly present the JV with its recommended testing programme.

LaPlaya Deep #1

Testing of zone four is still in progress. Fracture stimulation of the zone was attempted early in the week. However, due to as yet unknown factors the stimulation may not have been effective. The well has been shut in to allow reservoir pressure to build up while the JV considers appropriate remedial actions which may include repeating the frac.

Prior to fracture stimulation the well had flowed gas with no water. This represents a pleasing result as it confirmed movable gas in this anticipated tight reservoir sequence. More importantly this confirmed the deep gas geological model that is the focus of exploration on Padre Island. Testing of the fifth zone will commence once these issues with zone four are resolved.

The participants in these wells are:

Golden Gate Petroleum Ltd	10%
Novus Petroleum Ltd (Operator)	70%
Mitsui Oil Exploration Co., Ltd	20%

On behalf of the
Board of Directors

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