

12 May 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 well has reached a depth of 10,650 feet (measured depth) and electric logs are been run prior to running 9 5/8 inch casing. Results so far have been encouraging with several gas shows recorded prior to reaching casing depth. Interpretation of the electric logs will indicate how significant those shows are. Once the casing has been run and cemented, drilling will continue to a planned total depth of 16,446 feet (measured depth). The well is targeting three primary zones commencing at approximately 12,356 feet (measured depth). Based on drilling progress to date, it is anticipated that the primary objective will be reached in approximately three weeks.

LaPlaya Deep #1

The testing rig is on location and is preparing the well for testing. It is anticipated that the first zone will be perforated and testing will commence on about May 18th. The deepest zone will be tested first. If that zone flows at commercial rates the well will be tied into production and testing of the remaining zones will be postponed until the first zone is depleted or a development well is drilled. If the first zone fails to flow then the next zone will be perforated and tested. This sequence will continue until either a commercial flow is obtained or all of the five zones have been tested. The Company believes that based on the analysis of the electric logs and sidewall core samples, one or more of the five zones to be tested should be capable of flowing gas at commercial rates.

Mr. Russotti commented "The next few weeks is going to be a very exciting time for the Company as testing results of LaPlaya will be obtained and Homerun should have reached its primary objective. The gas shows encountered in Homerun are an encouraging sign as they indicate that the structure has gas that should be trapped if a suitable reservoir is present. The occurrence of sand in the deep part of LaPlaya increases the probability that a suitable reservoir may be present in Homerun."

Golden Gate Petroleum Ltd has a 10% working interest in these wells.

On behalf of the  
Board of Directors

***For further information contact:***

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