

24 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

Casing has been run and is being cemented and it is anticipated that drilling will resume within the next two days. The planned total depth of the well is 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 two and a half weeks.

LaPlaya Deep #1

Preparations are underway to perforate and test the second deepest zone in the well after the deepest zone failed to flow any significant hydrocarbons. Should the testing of this next zone result in a gas flow at commercial rates, it will be tied into production and testing of the remaining zones will be postponed until that zone is depleted or a development well is drilled. If this zone fails to flow then the next zone will be perforated and tested. This sequence will continue until either a commercial gas 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 remaining four zones to be tested should be capable of flowing gas at commercial rates.

Golden Gate Petroleum Ltd has a 10% working interest in these wells. The other participants in these wells are Novus Petroleum Ltd (Operator) 70% and Mitsui Oil Exploration Co., Ltd 20%.

On behalf of the
Board of Directors

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