

31 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

Drilling has progressed faster than originally prognosed and the well is currently at 14,655 feet (measured depth). At the present drilling rate the programmed total depth of 16,446 feet (measured depth) will be reached in approximately a week.

So far 19 gas shows have been recorded throughout the well. Electric logs will be run to evaluate these shows once the well has reached its programmed total depth.

LaPlaya Deep #1

Preparations are underway to perforate and test the third deepest zone in the well after the second 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 three zones to be tested should be capable of flowing gas at commercial rates.

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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