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Cadence Draws Loans From Directors

Walla Walla, WA: Cadence Resources Corporation, an energy exploration and development company (OTC-BB:CDNR), announced today that it has received proceeds of \$345,000 from loans made by two outside directors of the company and one officer/director of the company. These loans bear interest at 12% and are payable on December 31, 2004.

The Company has continued to successfully develop its natural gas joint venture project located in De Soto Parish, Louisiana. With the recent completion of the first six natural gas wells at the project which were drilled to the Cotton Valley formation, the joint venture partners have elected to continue the development program by targeting the Upper and Lower Hosston formations. This decision has accelerated the drilling schedule, and therefore the Board of Directors has decided to draw-down short-term loans to fund this more rapid development.

Certain statements contained herein may contain forward-looking statements that involve risks and uncertainties. Therefore, actual results may differ materially from those projected or implied. As a result, these forward-looking statements represent the Company's best judgment as of the date of this news release.

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