



FOR IMMEDIATE RELEASE: May 18, 2004

04-07

Cadence Resources Announces Second Quarter And Half Year Financial Results

Walla Walla, WA: Cadence Resources Corporation (CDNR) , an energy exploration and development company, today announced its financial results for the second quarter and six months ended March 31, 2004.

For the second quarter 2004, the Company posted revenues of \$688,000 far ahead of the \$44,000 reported second quarter 2003. This increase came from production of oil from the Company's property in Wilbarger County, Texas, and from gas production from its De Soto Parish property in Louisiana, and its property in Michigan. The first five wells at the Logansport site began producing and the sixth, seventh and eighth wells were completed in the quarter accounting for a substantial portion of the increase. In addition, the rise in energy prices has strengthened the Company's top line growth. During second quarter 2003, revenues came from the sale of oil production from the Company's oil wells in Texas only.

The operating loss for the second quarter ended March 31, 2004 shrank to \$138,000 from a loss of \$271,000 in the same period prior year. The net loss was \$141,000 in the second quarter of 2004, or \$0.02 per fully diluted share, improved from the net loss of \$383,000, or \$0.04 per share, in quarter ended March 31, 2003.

Howard M. Crosby, president of Cadence Resources, said, "We are very happy with the continued rise in our revenues, which were \$130,000 higher than in our first quarter. As our ability to increase production through the successful completion of wells grows, so will our revenues. We are also confident that the recent increases in the price of energy will continue to benefit us. Many analysts say that OPEC itself may have trouble bringing prices down through increased production because demand is so great."

He added, "We are studying methods to enhance the production in De Soto Parish by completing or re-completing indicated pay zones in our wells that we have not yet exploited. All of our five producing wells as of December 31, 2003, were drilled to Cotton Valley formation to depths of in excess of 10,000 feet. During the quarter ended March 31, 2004, we drilled two wells to the shallower Hosston sand formation, which lies between 6,450 and 8,950 feet. In light of the rate of production from the Hosston formation wells, our most recent well has been drilled to the Cotton Valley. We are in active discussions with our joint venture partner in determining our future drilling plans in this area."

Offices

6 East Rose Street, Walla Walla, WA 99362
1 West Street, Suite 3206, New York, NY 10004
11211 Katy Freeway, Suite 400, Houston, TX 77079

Tel

(509) 526-3491
(212) 217-2073
(713) 655-8800

Fax

(509) 526-3292
(212) 217-2076
(713) 358-8446



He also said, "In addition to the developments on the Logansport, Louisiana project, we completed our leasing program in the Anadarko Basin in Kansas with over 26,000 acres now under lease. We will commence a 3-D seismic program in June and are targeting oil-bearing formations to depths of about 4,200 feet."

For the half year ended March 31, 2004, Cadence reported revenues of \$1.2 million well ahead of the \$77,000 reported in the first half of fiscal 2003. The operating loss for the first half of fiscal 2004 grew to \$515,000 from \$471,000 in the same period prior year. However, the net loss of \$517,000, or \$0.06 per fully diluted share, in the first six months of fiscal 2004 was less than the \$627,000 loss, or \$0.07 per fully diluted share, in the same period of 2003.

CADENCE RESOURCES CORPORATION STATEMENT OF OPERATIONS

	Three Months Ended March 31,		Six Months Ended March 31,	
	2004	2003	2004	2003
	(Unaudited)		(Unaudited)	
REVENUES	\$ 688,368	\$ 44,449	\$ 1,247,752	\$ 77,825
GENERAL AND ADMINISTRATIVE EXPENSES				
Depreciation, depletions and amortization	309,173	8,496	542,284	17,131
Officers' and directors' compensation	35,000	173,477	90,000	218,477
Consulting	82,100	21,425	140,513	99,655
Professional fees	150,389	41,393	440,436	49,428
Oil and gas lease expenses	114,126	39,095	223,512	59,447
Oil and gas consulting	27,500	-	42,500	-
Oil and gas production costs	33,171	-	72,650	-
Exploration and drilling	12,000	-	12,000	-
Lease operating expenses	2,410	5,663	3,658	42,179
General and administrative	60,223	26,222	195,203	62,425
Total expenses	<u>826,092</u>	<u>315,771</u>	<u>1,762,756</u>	<u>548,742</u>
OPERATING LOSS	<u>(137,724)</u>	<u>(271,322)</u>	<u>(515,004)</u>	<u>(470,917)</u>
OTHER INCOME (EXPENSES)				
Interest income	213	46	4,193	126
Interest expense	(8,132)	(81,762)	(10,313)	(83,001)
Partnership loss	-	(159)	-	(8,468)
Refund of production taxes	5,155	-	5,155	-
Gain on debt forgiveness	-	-	-	-
Loss on disposition and impairment of assets	(720)	(29,969)	(720)	(64,592)
Total other income (expense)	<u>(3,484)</u>	<u>(111,844)</u>	<u>(1,685)</u>	<u>(155,935)</u>
LOSS BEFORE TAXES	<u>(141,208)</u>	<u>(383,166)</u>	<u>(516,689)</u>	<u>(626,852)</u>
INCOME TAX BENEFIT	-	-	-	-
LOSS FROM CONTINUING OPERATIONS	<u>(141,208)</u>	<u>(383,166)</u>	<u>(516,689)</u>	<u>(626,852)</u>
GAIN (LOSS) FROM DISCONTINUED OPERATIONS				
Gain from mining operations (net of income taxes)	-	-	-	-
NET INCOME (LOSS)	<u>(141,208)</u>	<u>(383,166)</u>	<u>(516,689)</u>	<u>(626,852)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gain (loss) on market value of investments	(103,299)	32,655	(210,593)	41,332
COMPREHENSIVE INCOME (LOSS)	<u>(244,507)</u>	<u>(350,511)</u>	<u>(727,282)</u>	<u>(585,520)</u>
NET INCOME (LOSS) PER COMMON SHARE BASIC AND DILUTED				
Net loss from continuing operations	\$ (0.02)	\$ (0.04)	\$ (0.06)	\$ (0.07)
Net gain (loss) from discontinued operations	\$ -	\$ -	\$ -	\$ -
NET INCOME (LOSS) PER COMMON SHARE	<u>\$ (0.02)</u>	<u>\$ (0.04)</u>	<u>\$ (0.06)</u>	<u>\$ (0.07)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	<u>12,645,330</u>	<u>9,037,193</u>	<u>12,630,615</u>	<u>8,721,129</u>



Cadence Resources Corporation
an emerging US energy company

CADENCE RESOURCES CORPORATION BALANCE SHEET

	March 31,	September 30,	
	2004 (Unaudited)	2003	2002
ASSETS			
CURRENT ASSETS			
Cash	\$ 485,543	\$ 3,619,345	\$ 40,011
Oil & gas revenue receivable	385,640	84,575	26,123
Receivable from working interest owners	12,873	12,873	16,037
Notes receivable	3,720	3,720	13,078
Prepaid expenses	137,225	5,925	27,500
Other current assets	27,425	425	431
TOTAL CURRENT ASSETS	1,052,426	3,726,863	123,180
OIL AND GAS PROPERTIES, USING SUCCESSFUL EFFORTS ACCOUNTING			
Proved properties	638,917	590,747	48,694
Unproved properties	3,785,555	833,836	78,997
Wells and related equipment and facilities	474,312	202,886	67,374
Support equipment and facilities	331,858	151,963	105,108
Prepaid mineral leases	540,013	395,973	177,177
Less accumulated depreciation, depletion, amortization, and impairment	(604,885)	(61,611)	(4,312)
TOTAL OIL AND GAS PROPERTIES	5,165,770	2,113,794	473,038
PROPERTY AND EQUIPMENT			
Furniture and equipment	4,226	1,660	1,440
Less accumulated depreciation	(1,625)	(1,451)	(1,440)
TOTAL PROPERTY AND EQUIPMENT	2,601	209	-
OTHER ASSETS			
Investments	185,092	394,454	448,793
NONCURRENT ASSETS			
Net assets of discontinued operations	246,757	246,757	246,757
TOTAL ASSETS	\$ 6,652,646	\$ 6,482,077	\$ 1,291,768
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	\$ 633,774	\$ 584,866	\$ 119,923
Revenue distribution payable	136,795	68,929	14,835
Payable to related party	-	550,000	2,500
Deferred working interest	-	-	22,184
Interest payable	13,054	15,752	-
Accrued compensation	8,165	94,920	66,261
Notes payable-related parties	510,000	460,000	-
Notes payable	1,000,000	-	-
TOTAL CURRENT LIABILITIES	2,301,788	1,774,467	225,703
REDEEMABLE PREFERRED STOCK			
	59,925	59,925	-
STOCKHOLDERS' EQUITY			
Common stock, \$0.01 par value; 100,000 shares authorized, 12,673,800, 12,512,827 and 6,866,210 shares issued and outstanding, respectively	126,738	125,128	68,662
Additional paid-in capital	18,711,738	18,343,422	13,291,965
Stock options	1,210,704	1,210,704	626,790
Stock warrants	51,375	51,375	233,334
Accumulated deficit	(15,379,773)	(14,863,687)	(12,906,132)
Accumulated other comprehensive income (loss)	(429,849)	(219,257)	(248,554)
TOTAL STOCKHOLDERS' EQUITY	4,290,933	4,647,685	1,066,065
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 6,652,646	\$ 6,482,077	\$ 1,291,768



Cadence Resources Corporation
an emerging US energy company

This release contains forward-looking statements that involve substantial risks and uncertainties. Investors and prospective investors in our common stock can identify these statements by forward-looking words such as "may," "will," "expect," "intend," "anticipate," "believe," "estimate," "continue" and other similar words. Statements that contain these words should be read carefully because they discuss our future expectations, make projections of our future results of operations or of our financial condition or state other "forward-looking" information.

For further information, please contact:
Howard Crosby (509) 526-3491
John Ryan (843) 263-1169
Douglas Newby (646) 879-5970