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Cadence Acquires Option to Participate in Sparkplug Project with SDX Resources

Walla Walla, WA: Cadence Resources Corporation (CDNR) announced today that it has acquired an option to earn up to a 25% working interest in up to 17 proved undeveloped oil well locations to be drilled over the next three years at Sparkplug in Eddy County, New Mexico. The development program will be operated by majority owner SDX Resources, Inc., a successful, privately held oil and natural gas exploration and development company based in New Mexico.

SDX acquired the 740-acre lease block from ARCO. Productive oil wells have been drilled immediately to the east, north and west of the lease block with average reserves of approximately 65,000 BOE per well. SDX estimates that the costs to drill, complete and facilitate each of the 17 wells will be approximately \$325,000. Based on an oil price of \$28 per barrel, compared with the recent price range of \$35-40 per barrel, wells in the area have achieved payback of capital costs within less than two years.

In addition, Cadence has acquired a 20% working interest in the Santa Nina No. 2 well, also operated by SDX in Eddy County, New Mexico. The well has been drilled to a depth of 5,000 feet to test the Delaware formation. Based on well logs, SDX is completing the well and flow test results are anticipated within 30 days.

Howard Crosby, President of Cadence said, "Our newly established relationship with SDX expands our geographical coverage into New Mexico from our current operations in Louisiana, Texas, Michigan and Kansas. It continues our philosophy of taking minority, non-operating interests in low-risk development plays with highly experienced operators. We are excited by the opportunity to work with SDX and anticipate our relationship will help us continue the rapid growth we have achieved since we entered the oil and natural gas business two-and-a-half years ago."

About Cadence Resources Corporation

Cadence Resources is an emerging U.S. energy company. Its strategy is to acquire non-operating interests in low-risk oil and natural gas development projects in the United States. It currently has production from 11 natural gas wells at its Logansport, Louisiana natural gas project, from five oil wells at its Waggoner Ranch, Texas oil projects, and from ten natural gas wells from its joint venture with Aurora Energy in Michigan. In addition, it holds over 23,000 acres in two large lease blocks in the Anadarko Basin, Kansas.

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Cadence Resources Corporation
an emerging US energy company

Certain information contained in this news release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the safe harbor created by such sections. However, such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from such forward-looking statements. For a discussion of such risks, uncertainties and other factors, please see "Risk Factors" in our Annual Report on Form 10-K for our most recently completed fiscal year. The Company disclaims any intent or obligation to update publicly any forward-looking statements set forth herein, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

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