



FRONTSTREET TEXAS PRODUCING, LLC

NEWS & ANNOUNCEMENTS FROM FRONTSTREET PARTNERS, LLC

September 3, 2004

FrontStreet and Houston Petroleum Company Sign Drilling Agreement

FrontStreet Texas Producing, LLC has signed an agreement with Houston Petroleum Company (“HPC”) to jointly conduct oil and gas drilling operations on five prospects in four Texas fields. The drilling program targets gross reserves estimated at over 12 billion cubic feet of gas and more than 1 million barrels of oil. Field operations are expected to start in mid-September.

Commenting on the agreement, Managing Partner Tom Dougherty said: “We are tremendously excited about joining with HPC in drilling these wells. We think that each one has superior potential and the operations team at HPC has the experience necessary to maximize our prospects for success. In today’s oil and gas price environment, the logic for drilling wells as opposed to buying reserves has never been stronger.”

HPC is a Houston-based independent oil and gas producer that has been in business for over 40 years.