



BARNWELL INDUSTRIES, INC.

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R E L E A S E

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BARNWELL INDUSTRIES, INC. REPORTS RECEIPT OF OPTION PAYMENT

HONOLULU, HAWAII, January 7, 2004 -- Barnwell Industries, Inc., (ASE-BRN) today reported the receipt of an option payment.

Mr. Morton H. Kinzler, Chairman and Chief Executive Officer of Barnwell, commented, "We are very pleased to report that Kaupulehu Developments, Barnwell's 77.6% owned land development partnership, received \$2,656,250, the third of ten scheduled option payments relating to the development rights within Hualalai Resort. The remaining option proceeds are comprised of seven payments due on each December 31 of years 2004 to 2010. If any annual option payment is not made, the then remaining development right options will expire. There is no assurance that any portion of the remaining options will be exercised."

Except for historical information contained herein, the statements made in this release constitute forward-looking statements that involve certain risks and uncertainties. Certain factors may cause actual results to differ materially from those contained in the forward-looking statements, including those risks detailed in the Company's Annual Report on Form 10-KSB for the fiscal year ended September 30, 2003 filed with the Securities and Exchange Commission.