



BARNWELL INDUSTRIES, INC.

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R E L E A S E

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BARNWELL INDUSTRIES, INC. ANNOUNCES CLOSING OF REAL ESTATE TRANSACTION AND DECLARES DIVIDEND

HONOLULU, HAWAII, February 13, 2004 -- Barnwell Industries, Inc., (ASE-BRN) ("Barnwell" or the "Company") announced today that Kaupulehu Developments, Barnwell's 78% owned real estate development partnership, has closed a real estate transaction with WB KD Acquisition, LLC, an affiliate of Westbrook Partners, LLC, developers of Kuki'o Resort and other mainland projects, for the development of a first increment of 80 residential lots within the approximately 870 leasehold acre Lot 4(a) area located at Kaupulehu, North Kona, Hawaii. Kaupulehu Developments received \$11,550,000 from WB KD Acquisition, LLC pursuant to this transaction, which provides for this area to be developed as a part of nearby Kuki'o Resort. Kaupulehu Developments will also receive a percentage of the sales prices of the residential lots when they are sold to the public. Kaupulehu Developments retains the development rights to a second increment within the 870 acre area on which residences and a golf course may be developed. In addition, Kaupulehu Developments holds the leasehold interest in another approximately 1,000 acres of land at Kaupulehu which is currently zoned for conservation.

Mr. Morton H. Kinzler, Chairman and Chief Executive Officer of Barnwell, commented, "This real estate transaction follows nearly ten years of the pursuit of approvals as well as significant time spent in development planning and engineering work for this area. Kaupulehu Developments will have long term interests and a continuing role in this project for many years to come. We wish to thank the State and County of Hawaii for their support and confidence over the last ten years."

Barnwell Industries, Inc. also announced today that its Board of Directors has declared a dividend of \$0.50 per share payable March 12, 2004, to stockholders of record on February 27, 2004.

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.