



GOLDEN GATE PETROLEUM LTD



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Market Release (*via electronic lodgement*)

SIGNIFICANT IMPROVEMENT IN GGP FINANCIAL POSITION-CONVERTIBLE NOTES EXTINGUISHED

Golden Gate Petroleum Ltd (ASX: GGP) is pleased to inform the market that it has settled all obligations in respect of the extinguishment of the high interest rate convertible notes issued 11 March 2009 following payment of A\$559,400 on 1 April 2010.

GGP has reduced its outstanding convertible notes from \$6.5 million at the beginning of the financial year to around \$170,000.

Comments

There has been a significant improvement in the financial condition of GGP over the last 9 nine months. Most of the outstanding convertible notes have been repaid and the Company's outstanding payable obligations have been dramatically lowered.

GGP is now better positioned financially to move forward with an aggressive 6 well drilling and testing program over the next six months (announced earlier).

The cash payment of the convertible note extinguishment formed part of the consideration agreed under the deeds of termination entered into with the note holders (see the announcement dated 5 February 2010). The equity settled component was completed following the issue of shares on 15 March 2010 after being approved by shareholders at the General Meeting on 12 March 2010.

On behalf of the Board of Directors

For further information contact:

Steve Graves
Managing Director

Golden Gate is an independent oil and gas exploration and production company listed on the Australian Stock Exchange. Its focus of operations is onshore Texas and Louisiana Gulf Coast region of the USA.