



# GOLDEN GATE PETROLEUM LTD

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Market Release (*via electronic lodgement*)

## NAPOLEONVILLE WELL COMMENCES DRILLING OPERATIONS

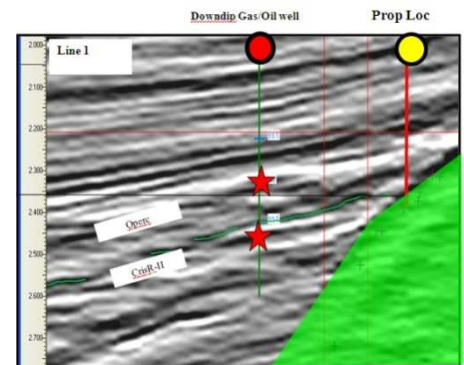
### Napoleonville-- Sagers #1, Assumption Parish, Louisiana, Operator 15.15%

The Board of Golden Gate Petroleum Ltd (ASX: GGP) is pleased to advise the Sagers #1 well is presently drilling ahead at 7,012ft after setting surface casing at 2,500ft. The well is expected to reach TD within the next 5 -6 days and is currently on time and within budget.

The Sagers #1 well is testing the Operc and Cris R III Sands as primary objectives with 300,000 barrels and 1.2 BCF of gas classified as a proven undeveloped (PUD) target. Further upside exists in secondary exploration objectives in the Marg A and Cris R I of 300,000 barrels of oil and 1.2 BCF of gas. If the well is successful, initial flow rates are expected to be around the 200+ barrels of oil per day and 500 thousand cubic feet (MCF) of gas per day. The Company's share of dry hole and completion costs are estimated at US\$263,000 and US\$93,000 respectively. Partners in the Sagers #1 well are:

Company	WI
Grand Gulf Energy Ltd *	39.89%
Golden Gate Petroleum Ltd (operator)	15.15%
Other Partners	44.96%

\* GGP is liable for approximately 23.15% of the dry hole costs.



### Napoleonville- Dugas & Leblanc #1 Well, Assumption Parish, Louisiana, 15% WI

Attempts to retrieve production tubing using a workover rig over the last 24 hrs have been unsuccessful. The Operator intends to persist with attempts to retrieve the casing for another 2 -3 days. If the production tubing can be recovered, and the well bore casing is in suitable condition, the well may be converted into a production well. Otherwise, subject to Government approval, it will be plugged and abandoned.

### Napoleonville- Dugas & Leblanc #2 Well, Assumption Parish, Louisiana, 15% WI

As previously announced, this well encountered over 118ft of net pay (both oil and gas) over three sands including an additional 19ft of gas and oil column in the Big Hum "N" sand.

The workover rig that is presently working on the Dugas & LeBlanc #1, will be moved to the Dugas & Leblanc #2 as soon as it is released and testing the oil leg in the Big Hum "N" sand in #2 will commence shortly thereafter. The Operator has recorded a cement bond log in the interim and confirmed that a successful cement/casing bond has been placed over the M and N sands.

The Company previously advised that this prospect was targeting a 1.2 MMBO and 3 BCF gas anomaly. The Company does not believe that this volume will be materially reduced as a result of the uncontrolled flow of the Dugas & Leblanc #1 that occurred from 11 August to 24 August 2010.

If the well is successful initial flow rates are expected to be around the 200+ barrels of oil per day and 1,000 MCF per day.

Partners in the Dugas & Leblanc Wells are:

Mantle Oil & Gas LLC (Operator)	4.09% WI
Grand Gulf Energy Ltd (ASX: GGE)	39.50% WI
Golden Gate Petroleum Ltd (ASX: GGP)	15.00% WI
Other partners	41.41% WI

On behalf of the Board of Directors

**For further information contact:**

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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.

COMPETENT PERSONS STATEMENT: The information in this report has been reviewed and signed off by Mr Mark Decker, Geologist (BS. Geology), with over 34 years respective relevant experience within oil and gas sector.

This report contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.