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Market Release *(via electronic lodgement)*

OPERATIONS UPDATE

FIVE WELLS TO BE DRILLED OVER THE NEXT THREE MONTHS
ADDITIONAL TEN WELLS IN PLANNING STAGE

The Board of Golden Gate Petroleum Ltd (ASX: GGP) is pleased to provide and operation update on drilling activity and project activity over the next three months and into 2012.

SUMARRY

1. **Two wells to be drilled in September in the Permian Basin**
2. **10 wells in planning stages to start before year end in the Permian Basin**
3. **Two wells potential at Fausse Point with side track and a new shallow oil well**
4. **New well planned at Bullseye with the Laurel Ridge Prospect—Huth Sand**
5. **Testing this month the primary oil sand at the Dugas & LeBlanc # 3 producing well**

PERMIAN BASIN

In our market release on 8 September, we reconfirmed our drilling schedule to drill two wells back to back starting in late September 2011. The rig has been contracted, lessor approvals obtained, permit and title work completed, and drill sites readied for rig move in.

In addition, we are in the planning stages for drilling up to 10 wells starting before year end. Locations are being selected from a large pool of identified locations. Permit applications will begin this month along with various logistical matters.

Golden Gate Petroleum's (ASX: GGP) wholly owned subsidiary Cathie Energy Texas LLC has 100% working interest in the Permian Basin project and the wholly owned subsidiary Kindee Oil & Gas Texas LLC is the Operator.

FAUSSE POINT—TGR # 1 SIDE TRACK

Our partner, Verus Investments Limited (ASX: VIL) is working on farming out a portion of their 72.0% working interest in Fausse Point. This has delayed the side track to the TGR # 1 well for a brief period. We remain confident to be able to commence the side track operations before year end.

Both GGP and VIL remain fully committed to the Fausse Point project. The appraisal well planned to be drilled at Fausse Point as a side track to the TGR # 1 well will be targeting a potential 200 acre hydrocarbon accumulation over two primary intervals up dip from the original well. The fault block to be drilled has no previous penetrations of the targeted pay interval and is estimated to contain up to 20 BCF (3.5 mmBOE) of recoverable hydrocarbons on an unrisked basis.

The new well is planned to be drilled as a deviated well from the existing pad to approximately 9,950 ft with the targeted intervals being approximately 920 ft from the TGR # 1 well. The side track will utilise the existing wellbore and will require approximately 2,300 ft of new wellbore to be drilled at a maximum deviation of 37 degrees. The cost of the side track is approximately USD$1.3 million of which USD$235,000 is GGP's share.

Seismic data suggests the new targeted interval is a sand shale sequence with multiple sands in an upthrown fault block that closes against salt with the up dip part of the trap believed to be below a salt wing where the reservoir sands are "stray" channel sands. At least one of the new targets ties back to a nearby producing well. The pay found in the TGR#1 well proves hydrocarbon charge and sand presence below the unconformity and the salt wing.

A detailed drilling proposal which includes a well drilling cost estimate has been prepared and new drilling permits are being filed. The surface facilities including production equipment and gas pipeline remain in place. Additional leasing to cover the new targeted structure has been arranged.

FAUSSE POINT—NEW SHALLOW OIL TARGET

By utilizing the reprocessed 3-D seismic covering 50 square miles of the Fausse Point Salt Dome, we have been able to identify a separate shallow oil target within the Area of Mutual Interest (AMI) shared by the working interest partners at Fausse Point.

This new objective is an oil sand at approximately 3,000 feet measured depth and covers approximately 200 acres. The potential recoverable resources estimated at this early stage is approximately 2.4 million barrels of oil in a 100 acre trap assuming 30% recovery factors. The sands are estimated to be 70 feet thick with good porosity. There are analogy wells which have produced from these sands which are located around the Fausse Point Salt Dome.

GGP is in the process of completing the leasing of the targeted area and is examining potential drill sites within the wetland area. Given it is a valued oil prospect and the ease of drilling the shallow depth, we are moving ahead with the development of this prospect. Permitting will take time and is expected to start shortly.

Partners in the Fausse Point Project including the TGR # 1 Sidetrack and the New Shallow Oil Target are:

Golden Gate Petroleum Ltd (ASX code: GGP)	18.00% WI (Operator)
Verus Investments Limited (ASX code: VIL)	72.00% WI*
Other Partners	10.00% WI

***Subject to farm out

SHALLOW LAUREL RIDGE ("SLR") PROSPECT AT BULLSEYE—JUMONVILLE # 4

Work continues on preparation to drill the Jumonville # 4 well targeting the Huth Sand. Permitting has delayed our expected start time. U.S. federal regulations have changed in the Gulf Coast area as the result of the BP blowout off shore. Our current plan has us drilling off the Jumonville # 2 drill site which overcomes remaining permit issues and allows for drilling preparations to continue. Currently the plan has us commencing drilling operations in late October subject to rig availability.

The Jumonville # 1 and # 2 wells remain on production. Work continues on drilling a new development well into the Miogyp formation where the two Jumonville wells continue to produce. The third production well is permitted as Acosta # 2. It requires new partners to join the project given several of the existing partners for a variety of reasons have expressed low interest in participating in the next well. GGP is actively seeking new partners in this high quality oil project.

The Huth Prospect is comprised of the mineral rights down to 11,000 ft which contains the producing zone at 10,100 ft (the Huth Sand). The Huth Sand has produced over 2.3 million barrels of oil and in excess of 2.5 billion cubic ft of gas.

Based on 3D seismic review and recent log indicators, there may be significant amounts of recoverable oil remaining in the Huth Sand with 4 locations to be drilled. The Huth Sand has averaged 291,000 barrels of oil from the 8 wells produced from the interval.

GGP has acquired the rights to a 21.0% working interest after paying 25% before casing point in the first two wells. Leased acreage covers 910 net acres with a 72.0% net revenue interest. The Company's 100% owned subsidiary, Kindee Oil & Gas, Louisiana will be the operator and will handle the production once a successful well is completed.

Initial daily production rate is estimated at 100 to 200 barrels of oil equivalent (mostly oil). The oil is a high gravity (38 API gravity). Drilling and completion of the initial SLR well is estimated to cost $ 1.0 million for the dry hole with the drilling rig provided on a fixed turnkey price. Completion costs are approximately USD$580,000.

GGP's net cost to participate in the initial well thru completion is approximately USD$250,000 in net cash after offsets for services provided. It is expected that a successful well will have an estimated payout of less than six months.

Both Huth Sands are a combination structure and stratigraphic traps. The Huth interval is above the deeper Camerina, Miogyp and Cib Haz intervals where GGP already has the mineral rights. At Bullseye, leases are depth severed and GGP has not had the mineral rights to these shallower prospects.

The 10,100 ft Huth Sand has permeability's in the 250 to 900 md range; porosities of 25 to 30% and is normally pressured with a GOR of 1100 to 1. The prospect trap as covered by 3D is a 4 way closure bounded by a stratigraphic pinch out.

The initial well will test the 10,100 ft Huth Sand as an offset to the Company's 2009 Jumonville # 2 well. The # 2 well logged 5 ft of net oil pay carrying 20 ohms of resistivity in the 10,100 ft Huth Sand.

Partners in the Shallow Laurel Ridge prospect are:

Golden Gate Petroleum Ltd (ASX: GGP)	21.0% WI (Operator)
Other Partners	79.0% WI

NAPOLEONVILLE-DUGAS & LEBLANC #3

The Dugas & LeBlanc # 3 well has been on production from the Big Hum Stay # B sand. It has produced approximately 162 million cubic feet of gas and 1,050 bbl of condensate since coming on production in July. The partners have elected to temporarily suspend production from this secondary formation as its volumetrics and recoverables have been determined. The primary objective in this well, the "M" oil sand, will now be tested. It is expected to take approximately 2 to 4 weeks to test the "M" sand.

A reserve review by Grand Gulf Energy Ltd, the primary working interest partner in this well, has estimated the hydrocarbon potential in the M sand of 400,000 bbl of oil and 1.2 billion cubic feet of gas. Flow rates are expected to start out at approximately 300 bbl per day.

Partners in the D&L#3 well are:

Grand Gulf Energy Ltd (ASX: GGE)	39.4% WI
Golden Gate Petroleum Ltd (ASX: GGP)	15.0% WI
Other Partners	45.6% WI

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About Golden Gate: Golden Gate is an independent oil and gas exploration and production company listed on the Australian Securities Exchange. Its focus of operations is onshore Texas and Louisiana Gulf Coast region and the Permian Basin 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 the 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.