



GOLDEN GATE PETROLEUM LTD



(A B N 3 4 0 9 0 0 7 4 7 8 5)

566 Elizabeth Street,
Melbourne 3000
Victoria Australia

Telephone: +61 3 9349 1488
Facsimile: +61 3 9349 1186

PO Box 12883
A'Beckett Street Post Office
Melbourne 8006
Victoria Australia

Email: investor.relations@ggpl.com.au
Website: www.ggpl.com.au

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Market Release (*via electronic lodgement*)

PERMIAN BASIN PROJECT UPDATE— TWO WELL DRILLING PROGRAM TO COMMENCE IN TEN DAYS

Golden Gate Petroleum Ltd (ASX: GGP) is pleased to provide a market update on activities involving the Permian Basin Project and the commencement of a two well drilling program to start in approximately 10 days.

The Union Drilling Inc rig # 205 is expected to be on GGP's first drill site next week once it completes its current drilling assignment. A two well program has been contracted with UDI on the leasehold acreage in Reagan County, Texas.

Permitting has begun on the next 10 well drilling program. The first 6 locations are being permitted. These wells will all be straight holes and fracture stimulated across the intervals expected to be most productive.

The next 4 drilling permits are expected to be horizontal wells. Investigations into the drilling and completion success in our area have identified horizontal wells into the Wolfcamp intervals proving to be some of the most commercial and financially successful wells. Work has commenced on identifying drilling locations where 4,000 to 6,000 feet laterals can be drilled and completed at competitive rates with significantly higher production levels than straight holes. In the GGP leaseholds where not all intervals are available, horizontal drilling appears to be an excellent option to exploit the hydrocarbon resources.

For further information contact:

Chris Ritchie
Financial Controller
Phone +61 3 9349 1488
investor.relations@ggpl.com.au

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.