



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

3 April 2012

Market Release (*via electronic lodgement*)

SUGAR VALLEY No 1 WELL DRILLING UPDATE

Bowtie West-Sugar Valley #1 Well, Matagorda County, Texas, Non Operator 10% WI

The Sugar Valley #1 well spudded on 23 March 2012 and the well is presently drilling ahead at a TVD of 5,044 feet and will be drilled to a depth of 13,000 feet.

The Sugar Valley # 1 well will be testing a Vicksburg sandstone reservoir known as the Tex-2 formation and shallower Frio sandstone reservoirs.

Geologically, the proposed Sugar Valley No. 1 well is located in the heart of one of the most prolific oil and gas producing trends in Texas where production is from the Miocene, Frio, Tex. 2 and Vicksburg Formations. To the southeast is the world class Old Ocean Field. As of September 2011, Old Ocean has produced over 4.50 TCF (Trillion Cubic Feet) of gas and 450 MMBO (million barrels of oil). To the northeast is Pledger Field that has produced 2.018 TCF of gas and 3.1 MMBO and Sugar Valley to the northwest that has produced 143 BCF (billion cubic feet) of gas and 36.1 MMBO.

On behalf of the Board of Directors

Steve Graves
Executive Chairman

For further information contact:

Chris Ritchie
Chief Financial Officer
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 Mickey McGhee, Geologist, with over 30 years of experience within the oil and gas sector and an extended background in the Permian Basin.

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.