

# GOLDEN GATE PETROLEUM LTD

## ASX / MEDIA ANNOUNCEMENT

29 October 2013

### Operational Update

Golden Gate Petroleum Limited (ASX: GGP) is pleased to provide the market an update on operational matters concerning its projects in Texas and Louisiana, USA.

#### Permian Project Leases, Reagan and Irion Counties, Texas, Operator

The SRH #1, #2, #3, #4 and #5 wells remain on production. Barring periods of maintenance and repairs, the vertical wells have continued to show improvement relative to the expected production decline curve. Further potential production from these wells by additional fracs and opening all known hydrocarbon intervals remains part of the Company's future planning process. The SRH #5 horizontal well continues to produce oil but at disappointing levels. Bottom hole testing and changes to the compressor involved with gas lift have not provided any clear answer as to the low production level. We are examining the option of running coiled tubing in order to clear any blockage surrounding the perforations plus determine which intervals are producing.

Regarding legal actions on the Permian project, the Company, as previously announced, had requested the court to grant a summary judgment in favour of the Company on several matters in the ongoing litigation with Petro-Raider. The court had set our motion for hearing on 8 November, 2013. In a recent hearing via teleconference on other ancillary matters, the judge ordered that the Petro-Raider suit against subsidiaries of Arturus Capital Limited ("Arturus") and the Company be stayed until the impact, if any, of the previously reported liquidation of Arturus on the Reagan County litigation can be determined. The judge has cancelled next month's hearing.

The Company believes that the stay of the proceedings strengthens our position in the litigation. As the plaintiffs, it is the duty of Petro-Raider to prosecute the lawsuit. Without further action from the court removing the stay, Petro-Raider cannot take any action against the Company.

#### Napoleonville Project— Assumption Parish, Louisiana, Non-operator

The recent discovery well, Hensarling #1 continues to produce over 375 barrels of oil per day on average after the installation of a jet pump. The Company has a 3.99% working interest in this well.

A new well on the 14-54 prospect is being planned for drilling. Due to additional time required to finalize all participations, the operator, Petrodome Energy, has asked for an extension to drill the initial well until the first quarter of 2014. All lease maintenance, title and preliminary well preparations have continued. The Company has a 3.99% working interest in this well and is carried in the cost of drilling.

The Dugas & LeBlanc #3 well continues to produce over 150 barrels of oil per day. The Company has a 15% working interest in this well. The legal actions that resulted from the blow out of the Dugas & LeBlanc #1 well are being resolved and have partially been settled. As previously reported, the commercial cases arising from the blowout were settled with no cash outlay by the Company. One legal action remains involving a personal injuries case. Initial mediation has occurred with no settlement achieved, to date. Any settlement from this action is covered by insurance as have all the other cases resulting from the blow out.

The lengthy process of clean up and surface monitoring from the blowout well has continued. Progress has been made in returning the surrounding land to active farming. The cost for the cleanup activities are also covered by insurance.

#### Bowtie West Project, Matagorda County, Texas, Non Operator

The Sugar Valley #1 well remains on production from the primary interval. No further action has been proposed by the operator. GGP has a 12.0% working interest in this producing well.

#### COMPANY INFORMATION

Golden Gate Petroleum Ltd

ABN 34 090 074 785

#### COMPANY DIRECTORS

Steve Graves – Executive

Chairman

Chris Porter – Director

Rob Oliver - Director

#### MANAGEMENT

Chris Ritchie – CFO / Co Sec

#### STOCK EXCHANGE LISTING

Australian Stock Exchange

ASX Code: GGP

Current Shares on Issue:

4,662,345,704

Market Capitalization as at 28

October 2013 based on a share

price of \$0.002

AUD \$ 9.3 million

#### CURRENT PROJECTS

Permian Project

Napoleonville

Bowtie West

Acadia

Goliad

[www.ggpl.com.au](http://www.ggpl.com.au)

**Fausse Point Project, Iberia Parish, Louisiana, Operator**

The Company has agreed and elected to plug and abandon the TGR Land Company #1 well. As operator with an 18% working interest, plug and abandonment procedures have started with equipment being offered for sale. Production tubing, some casing and production facilities including tanks and separator will be sold with the proceeds offsetting a significant portion of the cost to abandon the well.

**For and on behalf of the board**

**Steve Graves**  
**Executive Chairman**

**For further information on GGP contact:**

Chris Ritchie  
Chief Financial Officer  
Phone: +61 3 9349 1488  
Email: [investor.relations@ggpl.com.au](mailto:investor.relations@ggpl.com.au)

**About Golden Gate Petroleum Limited**

Golden Gate Petroleum Limited (ASX:GGP) is an ASX listed company focused on the exploration and development of oil and gas projects in the Gulf States of the United States of America