

17 August 2004

Manager Announcements
Companies Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000



via electronic lodgement

Dear Sir/Madam,

FIRST BETHANY WELL COMMENCES

The Company is pleased to announce that it has spudded its first well, Syd – 1A on its Bethany leases in Texas. The well is expected to take ten days to reach its planned total depth of 4,000 feet.

The leases are located approximately 35 kilometres south of Shreveport adjacent to the Texas/Louisiana border.

Documents lodged with the SEC state proven undeveloped reserves of 4.5 bcf of gas and 744,888 bbls of oil within the leases held by the Company. These reserves are contained within four separate zones between 1,200 and 4,000 feet. Syd – 1A is designed to intersect all four zones and if successful will provide the basis for an extended drilling programme of up to twenty wells. A low pressure pipeline is available a few hundred metres from the wellsite. That, together with existing infrastructure, would enable the rapid tie in of the well within a few weeks of completion.

The Managing Director of Golden Gate Petroleum, Mr Sam Russotti, commented “Syd – 1A is an exciting and important well for the Company. It is the first well operated by Golden Gate and success in this well will launch the Company into a multi-well development project. Because Golden Gate has a 100% working interest in the project even modest production rates of 100 to 300 mcf per day for each well would result in significant revenue to the Company. That revenue would underpin its participation in the large Padre Island prospects as well as enhancing its ability to expand into other Bethany type opportunities.”

Golden Gate Petroleum Ltd has a 100% working interest in Bethany which results in a 70% net revenue interest after Government and third party royalties.

On behalf of the
Board of Directors

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