

11 October 2004

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



Via electronic lodgement

GAS FLOWS AT SYD – A1

The Board of Golden Gate Petroleum Ltd is pleased to announce that testing of the Syd – A1 well in Bethany has confirmed a commercial gas flow at a stabilised rate of 420 mcf per day through a 9/64 inch choke. Flowing pressure was a stable 650 psi leaving scope to open the well up to 500 mcf per day. Arrangements will now be made for the well to be tied into a nearby pipeline (approximately 500 metres from the well) and a gas sales contract will be finalised. This process is expected to take one to two months.

This test result is above the Company's expectations considering the shallow depth of the reservoir (2,851 feet).

In addition to this producing zone there is at least another gas zone in this well that remains untested and three oil zones that will require further testing. These zones will be the subject of a future testing programme. Throughout the lease there are a minimum of four potential gas zones and three potential oil zones between depths of 1,000 to 4,000 feet giving a high probability that each well will intersect at least one or two, if not more, of these zones, resulting in a low risk drilling programme.

There are a number of positive results from this discovery. The Company has a 100% working interest in the Bethany lease and as a result of Syd – A1 the Company's current production and consequently revenue will more than double. At 500 mcf per day production rate and current gas prices of US\$7 per mcf Syd – A1 will increase the gross annual revenue of the Company by approximately A\$1.8 million.

The success at Syd – A1 re-enforces the Company's existing plans for an accelerated exploration programme on its Bethany lease. The next two well locations have already been surveyed and drilling of the next well is planned to commence around mid November.

Due to the onshore location and proximity to existing infrastructure, discoveries in the Bethany lease benefit from low development and production costs and short lead times between discovery and commercialisation. This means that even low production rates remain economic especially in today's environment of strong energy prices.

The managing director of Golden Gate, Mr. Sam Russotti commented "We are delighted with the results of our first well as operator. Drilling any well at a 100% equity level is always a big risk; however, we were confident in our technical assessment of the Bethany project. The discovery at Syd – A1 re-enforces our existing plans for a concentrated exploration effort at Bethany. Our aim is to complete as many wells as possible in order to take advantage of the prevailing high energy prices.

“We are also delighted with the results of the recent flow test of the Homerun – 1 well in Padre Island. The test confirmed a commercial flow rate of gas and condensate from zone 2 and we are optimistic that future testing will result in further commercial flows from this well. The results at Homerun also significantly upgrade the other prospects in the Padre Island portfolio. These successes mean that it is probable that over the next few months Golden Gate will have an additional 3 producing fields, LaPlaya Deep (tied in and ready to go), Homerun and Bethany. This would give Golden Gate a total of 5 producing fields generating healthy cash flows to apply towards its exploration efforts in both Bethany and Padre Island.”

On behalf of the
Board of Directors

For further information contact:

Sam Russotti
Managing Director
Phone 02 6587 4348
Mobile 0400 874348

Mark Freeman
Company Secretary
Phone 08 9324 1177