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Golden Gate Petroleum Acquires Novus' Padre Island Interest From Medco

The Board of Golden Gate Petroleum Ltd is pleased to announce that on 29th July 2005 it completed the acquisition of Novus Nevada LLC and Novus Oil and Gas Texas LLC from Medco Energi International for a consideration of US\$1 million. This acquisition means that Golden Gate now owns all of Novus' interests in the Padre Island Project and leases.

Importantly this acquisition effectively results in Golden Gate becoming the operator of the majority of the leases within the Padre Island Project and for the first time since its involvement in this project more than four years ago, it will have control of the Project.

The acquisition and the exercise of its rights under the Joint Venture Agreement increase Golden Gates interests from 10% to the following levels:

PADRE ISLAND JOINT VENTURE PARTICIPATING INTERESTS			
	GGP	MITSUMI	BNP
Production Fields			
La Playa field (local private company KCS has a 20% interest)	40%	15%	25%
West Bird field	50%	20%	30%
La Playa Deep	80%*	20%	
Prospects			
Shallow leases over the (Hook, Fault/County Line , El Mar and Dunn Deep areas.	10%		90%
Kingsway	100%*		
Wilson	80%*	20%	
Lemon Seed prospect (deep)	50%*	20%	30%
Ultra deep sections	50%*	20%	30%
Manzano	80%*	20%	
Murdock South and Plum Deep	100%*		
All other leases (including all identified Deep prospects excluding Lemon Seed; the balance of the Shallow leases excluding those noted above; the Tomato gas field; and the Ultra-Deep section.	80%*	20%	

* Operator

Extensive evaluation of the prospects including a \$10 million study by BP conducted in 2003 has confirmed the prospects as valid high quality exploration targets. Every well drilled to date by the joint venture has tested or flowed gas with three wells currently in commercial production.

The acquisition includes Novus' interest in the three currently producing gas wells (La Playa #1, West Bird #1 and La Playa Deep #1), over the past quarter gross production from these wells has exceeded 195 million cubic feet of gas and 2,110 barrels of oil. Apart from the currently producing zones, La Playa #1 and La Playa Deep#1 each have at least one more zone to test and complete. The Company intends to retain all of the acquired interest in these wells but will aim to reduce its drilling costs by farming out

the exploration prospects while still retaining a significant interest of 30% to 40%. Discussions with parties who have shown a strong interest in the prospects are in progress.

In addition to a number of shallow plays in the 5 to 10 bcf range, the leases contain a large number of deeper exploration targets that vary in potential size from 90 bcf to more than 400 bcf. These prospects are ready to drill, subject to rig availability and obtaining drilling location permits. These include the Plum, Murdock South and Manzano prospects for which the preparation of applications for drilling locations is well advanced with the first drilling location expected to be approved by the relevant authorities by December.

Over the past four years factors beyond the control of the Company primarily because of its minority interest holding have delayed the drilling program. Now that the Company has increased its interests and secured operator ship it plans to accelerate the drilling program.

Planned Drilling Program

Prospect Name	Current Anticipated Start Date
Plum Deep	Dec 2005/Jan 2006
Manzano	March 2006
Murdock South	May 2006

Funding of the Transaction

The Company has arranged an unsecured US\$1 million debt facility from Sampala Investments Pty Ltd ("Sampala"), a company in which Mr Craig Burton is a director, to fund the acquisition. The terms of this facility are:

1. The loan will bear interest at 8% pa accrued monthly;
2. A loan establishment fee of 4% is payable;
3. The loan and interest is repayable upon Golden Gate completing any capital raisings or 6 months after the loan is drawn down it is repayable on demand by Sampala; and
4. Golden Gate will use best endeavours to undertake a capital raising as soon as practicable following completion of the acquisition in order to repay the loan.

Golden Gate intends to undertake a capital raising once it has determined its final working interests in the upcoming wells.

On behalf of the
Board of Directors

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