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Gas Flow From Dunn Peach #6 Confirms New Field Discovery

The Board of Golden Gate Petroleum Ltd ("Golden Gate") is pleased to announce that the Dunn Peach #6 well has been tied in to the sales gas line and is producing at a stabilized rate of 1.6 million cubic feet of gas per day and 5 barrels of condensate per day. Production tubing pressure is steady at 2,100 psi. This is a very good result considering the shallow depth of the reservoir (less than 9,000 feet) and is within Golden Gate's maximum pre drilling expectations for this structure.

The procedure adopted with these wells is to tie them in to the sales pipeline and avoid any waste of gas due to flaring. This means that revenue is earned immediately as all test gas is sold rather than flared.

Since commencement of its Padre Island operations Golden Gate has participated in the drilling of 7 wells. All 7 wells encountered gas and five of these resulted in field discoveries that were put on commercial production (a 71% success rate). Of these three fields are currently producing and one is shut in (West Bird) pending installation of compression facilities. As a result of this drilling success and its recent acquisition of the Novus and Mitsui interests the Company's gross share of daily production exceeds 2 million cubic feet of gas per day.

The continued success of these shallow prospects, which can be tied in quickly with little development costs due to the existing underutilised infrastructure on Padre Island, makes them very attractive drilling targets. Golden Gate and its Partner, BNP have identified several of these shallow prospects and plans to drill a number of them during the course of 2006.

The first of these is likely to be a follow up well to Dunn Peach #6 and will be located in the leases in which Golden Gate has a 35% working interest. The Plum Shallow structure (from which Dunn Peach #6 is producing) straddles the lease line and only 30% of the total structure lies in the leases containing the Dunn Peach #6 well in which Golden Gate has a 10% working interest. The remaining 70% of the structure is to the west of the lease line and Golden Gate has a 35% working interest in those leases.

Other planned shallow drilling for 2006 include exploration wells on the El Mar, Manzano Shallow and Wilson prospects as well as development/appraisal wells on the La Playa Shallow and Dunn Deep Gas Fields.

This shallow drilling is in addition to the planned deep wells on the Plum Deep, Manzano Deep and Murdock structures. This comprehensive drilling programme promises a very exciting year for Golden Gate and has the potential to deliver exponential growth for the Company.

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