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## LARGE PLUM DEEP PROSPECT TO COMMENCE DRILLING

The Board of Golden Gate Petroleum Ltd ("Golden Gate") is pleased to announce that Parker Drilling's rig number 122 is now on location at Padre Island. Drilling of the Kindee ST 212 #1 well on the Plum Deep Structure is scheduled to commence on or around 25 July 2006.

The Plum Deep Structure is considered to be a world class exploration prospect with gross P50 reserve potential estimated to be around 293 Billion Cubic Feet of gas ("BCF") and an upside P10 potential of 952 BCF.

Golden Gate will operate the well with a 37.5% interest and under joint venture arrangements with IB Daiwa and Pantheon Resources will be contributing 33.33% towards the drilling costs to casing point.

The well lies within the same fault trap as Dunn-Peach # 6 but is targeting deeper reservoirs between 9,500 and 16,500 feet. Dunn-Peach # 6 was confirmed as a discovery in early 2006 and is currently flowing gas at a rate of 1.9 million cubic feet per day ("mmcf/d"). The discovery of hydrocarbons in the shallow section is a positive indication for Plum Deep Structure as it confirms that it underlies a natural gas accumulation.

The Kindee ST 212 #1 well is the first of an active 8 well exploration programme on Padre Island over the next 24 months in both the shallow and deep sections as indicated in Table 1 below.

Extensive evaluation has confirmed 6, mature high-quality deep exploration targets of which Plum Deep, Manzano and Murdock South have been identified as the 3 largest prospects; each offering the potential for significant additional reserves and early cash flow. All the currently defined prospects are planned to be drilled from onshore locations, with the possible exception of Kingsway. This offers the advantage of substantially reduced costs (both for exploration and development) compared with drilling from offshore locations. It also reduces significantly the lead times to production in the event of successful exploration.

In addition to these high impact deep prospects, Golden Gate also has an active programme targeted at low risk smaller, shallow prospects. 3 wells are planned comprising an exploration well on the Wilson prospect and 2 development wells on the La Playa Shallow fields. These shallow prospects are highly attractive targets and any successful wells can be quickly put on production due to the under-utilised infrastructure that exists on Padre Island.

**Table 1: Golden Gate Planned Drilling Programme**

Prospect/Well	Target/Type	P50 BCF	P10 BCF	Estimated Start Date	Golden Gate	BNP	IB Daiwa	Pantheon Resources
Plum Deep*	Deep/exploration	293	952	July 06	37.5%	-	37.5%	25%
Wilson*	Shallow/exploration	5	21	September 06	37.5%	-	37.5%	25%
Manzano*	Deep/exploration	337	816	October 06	37.5%	-	37.5%	25%
2 x La Playa	Shallow/development	6	12	Second half 06	35.0%	65%	-	-
Murdoch South*	Deep/exploration	232	463	First Qtr 07	37.5%	-	37.5%	25%
Lemonseed*	Deep/exploration	67	239	Second Qtr 07	22.5%	30%	22.5%	25%
Kingsway*	Deep/exploration	16	41	Second half 07	37.5%	-	37.5%	25%

\* Operated by Golden Gate

Since commencement of its Padre Island operations, Golden Gate has participated in the drilling of 7 wells and has substantially increased its interest in the project. All 7 wells encountered gas and 5 of these resulted in field discoveries that have been put on commercial production (a 71% success rate). Of these, 3 fields are still in production. As a result the Company's present gross share of daily production is 2 mmcfd.

**Golden Gate Managing Director, Sam Russotti said: "This comprehensive drilling programme has the potential to provide exponential growth for Golden Gate and promises to deliver a very exciting year for the Company and its Shareholders".**

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***This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by nature and no assurance can be given by Golden Gate that its expectations, estimates and forecasts outcomes will be achieved.***

*Information contained in this report was compiled from information provided by Sam Russotti and Michael Bell, who have had more than 60 years collective experience in the practise of petroleum geology. Both Messrs Russotti and Bell have consented to the inclusion in this report of the matters based on this information and the context in which it appears.*