GOLDEN GATE PETROLEUM LTD

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PLACEMENT OF 14,000,000 SHARES

The Company is pleased to announce that it has executed agreements with institutional and professional investors in relation to the placement of 14 million shares at 41 cents each to raise $5.74m before expenses. The Company will issue all of the placement shares within 14 days utilising its 15% capacity under Listing Rule 7.1.

As previously advised to the Market the Company identified 4 zones from log analysis in the Kindee ST212 #1 well (on the Plum Deep Prospect) which collectively spanned a gross interval of over 1,000 feet. A comprehensive evaluation and testing programme has been commenced. The well is being sidetracked to enable the cutting of cores in these prospective zones followed by an open hole flow test. Once all the cores have been cut and logs and samples have been collected, a production liner will be run. The cores obtained will be subjected to detailed petrophysical and mechanical analysis and the information obtained will be used to construct a fracture stimulation programme that has the optimum chances of success. So far the results have been in line with the Company's pre-drill expectations.

The Company expects the results of the open hole flow test to be available by early next week.

The purpose of the raising is to secure the funding for the continuing drilling and evaluation programme on Padre Island as tabled below:

Prospect Name	**Current Anticipated Start Date**
Plum Deep	Currently being evaluated by coring and flow testing
Manzano	January 2007
Wilson	April 2007
2 x Shallow Wells	First Half 2007
Murdock South	Second Half 2007
Lemonseed	Second Half 2007

The Board of Golden Gate Petroleum is delighted to have completed this capital raising which in conjunction with its cash flow, has put the Company in a strong financial position to complete a thorough testing operation at Plum Deep as well as fund a very intensive drilling campaign into 2007.

On behalf of the
Board of Directors

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