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LGS PROSPECT: FOLSE #1 WELL SPUDED

Folse #1 LGS Prospect, Iberville Parish, Louisiana, Operator 42.5% WI

The Board of Golden Gate Petroleum (ASX Code: GGP) is pleased to announce the commencement of the drilling of the Folse #1 Well which spudded on 18 October 2007.

The well has a planned total depth of 10,850 feet (measured depth). Drilling is expected to take approximately 3 weeks. The well will test a series of stacked pay sands found to be productive in offsetting locations down dip.

Total reserves from this well are estimated (P50) to be 1.2 million barrels of oil and 2 BCF of gas. The well is targeting five independent sands, in a trap defined by new 3D seismic along with existing well control.

A 20% back-in after project payout (which includes all well and entry costs) to the project sellers effectively delivers the Company a WI of 34% after payout.

A detailed summary of the Project is located on the Company's website please see:

http://www.ggpl.com.au/operations_lgsnoel.html

On behalf of the Board of Directors

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This report has been reviewed and signed off by Mr Sam Russotti, CEO, (BSc Geology) and Mr. Jeff Copley, Technical Director (BSc Geology & MSc. Geophysics), both with over 30 years experience in the oil and gas sector.

Forward Looking Statements

This announcement contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.