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Market Release (*via electronic lodgement*)

ST991#1 WELL SPUDED ON MANZANO STRUCTURE (350 BCF)

Manzano Prospect, Padre Island, Tx, 35% WI, BNP Operator to 10,500ft.

The Board of Golden Gate Petroleum (ASX Code: GGP) is pleased to announce the commencement of drilling of the ST991#1 well on the Manzano structure at Padre Island (Texas, USA). The well spudded on 2 February 2008.

The well has a planned intermediary total depth of 10,500 feet (vertical depth). Drilling is expected to take approximately 6 weeks. The borehole will be subsequently deepened by GGP to the primary objective depth of 15,500'TVD (17,100'MD), following any production tests of the shallower intervals and a drilling rig changeover.

The Manzano Deep Prospect is considered to be a world class exploration prospect with gross P50 reserve potential estimated to be 350 Billion Cubic Feet of gas ("BCF") and an upside P10 potential of 650 BCF.

BNP Petroleum will operate the Manzano well to a depth of 10,500ft (vertical depth) for a turnkey fee of US\$4,500,000. GGP has a 35% interest in this section of the well that contains the shallow targets. If no commercial hydrocarbons are encountered above 10,500ft, GGP as Operator for the Padre Island Joint Venture partnership will deepen the well to approximately 15,100ft (vertical depth) to test the deeper primary target.

If commercial hydrocarbons are encountered in the shallow section, the well will be completed in these shallow zones for an extended production test.

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.