



GOLDEN GATE PETROLEUM LTD

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PLACEMENT OF \$5.2M TO ADVANCE DRILL PROGRAMS

HIGHLIGHTS

- Successful completion of share placement to raise \$5.2m
- Strong support from domestic and international investors
- Drill Program to commence next month

CAPITAL RAISING

Golden Gate Petroleum Ltd is pleased to announce it has agreed to place 24.7m shares at 21 cents each to raise \$5.2m before expenses. This placement was not underwritten.

Four of the Company's directors, Messrs Graves, Freeman, Copley and Petruzzelli have agreed to subscribe for 850,000 shares. The Company will seek shareholder approval to enable them to subscribe for these shares. A notice of meeting will be forwarded to shareholders shortly.

COMMENTARY

This placement gives certainty to the Company having adequate funds together with its current production revenue (~\$A700,000 net per month) to move forward with its immediate drilling objectives. In particular these funds will underpin the advance of the Bullseye and Wilcox Projects. The Board of Golden Gate is delighted with the strong support for the Company, and its projects, represented by the placement, notwithstanding the difficult stock market conditions at present.

The Company's current drilling and testing programs are as detailed below:

Drill Program	Planned Start Date	Testing Program	Planned Start Date
Manzano	Currently being drilled	La Playa #2	Second quarter 2008
Bullseye	April 2008	Plum shallow	Second quarter 2008
Wilcox	Second quarter 2008	Bowtie (Truitt sand)	Second quarter 2008
Bowtie West	Second quarter 2008		
LGS Deepening #5	Second half 2008		

On behalf of the Board of Directors

For further information contact:

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Golden Gate is an independent oil and gas exploration and production company listed on the Australian Stock Exchange. Its focus of operations is onshore Texas and Louisiana Gulf Coast region of the USA. The Company has demonstrated strong production growth which has led to a doubling of production to over 4mmcf per day.